

VIRGINIA DEPARTMENT OF MINES, MINERALS AND ENERGY

VIRGINIA GAS AND OIL BOARD HEARING

Tuesday, April 18, 2017

Lebanon, Virginia

BOARD MEMBERS:

Bill Harris—Public Member

Donnie Ratliff—Coal Industry Representative

Mary Quillen—Public Member

Rita Surratt—Public Member

APPEARANCES:

Bradley Lambert—Chairman of the Virginia Gas & Oil Board

Rick Cooper—Director of the Division of Gas & Oil and
Principal Executive to the Staff of the Board

Sarah Gilmer—Staff Member of the Division of Gas & Oil

Sally Ketron—Staff Member of the Division of Gas & Oil

Paul Kugelman, Jr.—Senior Assistant Attorney General

Prepared by: Margaret Linford

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Bradley Lambert: Good morning, ladies and gentlemen. It's now time to begin our proceedings, this morning. I would ask you, this morning, if you have cell phones or other communication devices, please turn those off or put them on vibrate. If you must take a call, please do so out in the hall. I'd like to begin, this morning, by asking the Board members to please introduce themselves. I'll begin with Ms. Surratt.

Rita Surratt: I'm Rita Surratt, public member. I'm from Dickenson County.

Paul Kugelman: Paul Kugelman, Virginia Attorney General's Office

Bradley Lambert: I'm Butch Lambert, with the Department of Mines, Minerals and Energy.

Donnie Ratliff: I'm Donnie Ratliff, representing coal.

Bill Harris: I'm Bill Harris, a public member. I'm from Wise County.

Mary Quillen: Mary Quillen, public member

Bradley Lambert: Thank you, ladies and gentlemen. At this time, we'll receive public comments. Has anyone signed up for public comments, this morning?

Rick Cooper: No, sir.

Item Number 2

Bradley Lambert: Moving forward, we'll move to Docket Item Number 2. The First Bank and Trust Company, Escrow Agent, for the Virginia Gas and Oil Board, will appear to address the Board on the Quarterly Report. Good morning.

Jody Maney: Good morning. Does everybody have a copy?

Bradley Lambert: Yes, ma'am.

Jody Maney: This is our First Quarter Report. We'll start out on Page 3, with the summary. The beginning balance, as of January 1, 2017, we started out with \$18,467,381.94. We had deposits of \$161,262.97, for the quarter. Interest earned, \$9,725.86. Fees of \$4,570.83. Distributions for the quarter was \$888,371.88. No audit expenses and no adjustments, for an ending balance, for March 31, \$17,745,428.06. The next thing that we have is the outstanding check list. This is as of December 31, 2016. So, these are all the checks that have not been cashed, through the end of 2016. There are several pages.

Paul Kugelman: To be sure I have that right, this list ends on Page 22?

Jody Maney: Yes.

Paul Kugelman: Okay.

1 **Bradley Lambert:** We've got a total amount of...?

2 **Jody Maney:** Roughly, \$73,000.

3 **Bradley Lambert:** Okay.

4 **Jody Maney:** Any questions, on that? [No response] The next item we have, in here, is check
5 escheatments. The checks that will be escheated in 2017 total \$1,225.69.

6 **Rick Cooper:** So, Mr. Chairman, I would like to state, at this time, the Board had requested that
7 we send out letters to these people that were being escheated. Ms. Ketron sent out a letter. This
8 is the second time we've notified these people since last Fall. So, we have sent out letters to all
9 those people who have potential escheatment. Is that correct, Ms. Ketron?

10 **Sally Ketron:** Yes, a second attempt. We got four delivered. One is in transit. Two, no
11 authorized recipient. One vacant. There were nine total people that we mailed to. Some had
12 multiple checks to be cashed. We haven't received any contact.

13 **Rick Cooper:** No response from them, at this time. Also, in regard to those outstanding checks,
14 Ms. Ketron, we keep that posted on our website and up-to-date. Right? So, we keep all that data
15 on our website, all the outstanding checks. We update that, monthly, to make sure it's correct.

16 **Sally Ketron:** We update that quarterly.

17 **Rick Cooper:** Quarterly, I should say, with the quarterly report.

18 **Jody Maney:** In 2018, the escheatment will be \$911, if these people do not cash their checks
19 before 2018. On Page 24, this is your March Summary, with all individual wells, beginning
20 balance, deposits, interest, fees deducted, any distributions, transfers to the "No W-9" list, audit
21 costs, corrections, and individual ending market values for each individual well. These are the
22 balances, as of the end of March, with totals on Page 40.

23 **Donnie Ratliff:** Mr. Chairman.

24 **Bradley Lambert:** Mr. Ratliff.

25 **Donnie Ratliff:** I probably should know the answer to this, but what distinguishes what wells
26 are invested in the CDARS accounts and all of them are in the money market, but only part of
27 them are in CDARS?

28 **Jody Maney:** You would see the CDARS interest, in that specific account.

29 **Donnie Ratliff:** What distinguishes what well gets put in which account?

1 **Jody Maney:** There's not, if you'll go over to the investment summary, there's only two CD's,
2 right now. So, there's only a total of \$750,000. One Seeder CD that's due, in June. One First
3 Bank and Trust CD that's due, in June, as well.

4 **Bill Harris:** Mr. Chairman, Donnie did you get your question answered? I'm not sure. I guess
5 what he's asking is, when money comes in, how is it decided to go here versus here?

6 **Jody Maney:** If it's a large amount, we try to put it in the CDARS.

7 **Bill Harris:** Okay.

8 **Jody Maney:** If there is a docket coming up for it, then we have to move it out of the CDARS
9 into the money market fund, to be able to pay that docket.

10 **Bill Harris:** Of course, it's not just random? It's somewhat...

11 **Jody Maney:** Somewhat, but not...

12 **Bill Harris:** There's a method to it.

13 **Jody Maney:** Yes. Our accounting system allocates the interest to the accounts.

14 **Bill Harris:** Thank you. I didn't mean to...

15 **Mary Quillen:** Most of the disbursements, are they coming from the CDARS?

16 **Jody Maney:** No, not a tremendous amount.

17 **Mary Quillen:** Okay.

18 **Jody Maney:** Any other questions? [No response] The next thing that we have is the "No W-9"
19 list. These are all of the people that have not submitted their W-9 to the gas companies. The
20 majority of these are EnerVest people. There's a few EQT people, but the majority is EnerVest.
21 On Page 48, is the total of the "No W-9's." There's \$88,975, waiting to be disbursed to these
22 people, if they would send in their W-9's.

23 **Mary Quillen:** The reason for this is because this is a new company that...not a new company,
24 but it's a new company for these people that are due the disbursements. They have to have the
25 W-9. Is that correct?

26 **Jody Maney:** Range Resources started this.

27 **Mary Quillen:** Right.

28 **Jody Maney:** When they submitted their docket, they wanted to include everybody on it, if they
29 didn't have a W-9. If they did not have their W-9's submitted to them, then we allocated their
30 portion of it out to them and held it in a separate account, until they submitted their W-9.

1 **Mary Quillen:** There's such a large number of these that are EnerVest. Does EnerVest have to
2 have a new W-9 or does this follow them from the W-9 that was submitted to Range?

3 **Jody Maney:** It's my understanding that the W-9 was never submitted to Range.

4 **Mary Quillen:** So, they were never submitted.

5 **Jody Maney:** No.

6 **Bill Harris:** Do you know if anyone is working on that, or do we need to wait until we get
7 EnerVest in front of us?

8 **Bradley Lambert:** I guess what Ms. Quillen was asking, if I can try to restate that, was the
9 Range transferred over to EnerVest?

10 **Jody Maney:** As far as what W-9's they received?

11 **Bradley Lambert:** Yes.

12 **Jody Maney:** I don't know that. You would...

13 **Rick Cooper:** Mr. Chairman, I might can help with that. Any Range outstanding escrowed
14 items, when EnerVest purchased that, everything was transferred from Range to EnerVest.

15 **Bradley Lambert:** That's what I was asking.

16 **Rick Cooper:** That's correct.

17 **Bradley Lambert:** Thank you, Mr. Cooper.

18 **Mary Quillen:** You clarified that, very well. I'm sorry.

19 **Jody Maney:** These are still the W-9's that I do not have.

20 **Mary Quillen:** I'm just surprised there are so many.

21 **Jody Maney:** There are 628 lines on that.

22 **Mary Quillen:** Oh, my goodness!

23 **Paul Kugelman:** 629?

24 **Jody Maney:** 628.

25 **Paul Kugelman:** I see the number, now.

26 **Jody Maney:** Some people are on here more than once.

1 **Mary Quillen:** Right. It's not, actually, 628 individuals. There are multiples of them. Still,
2 that's quite significant.

3 **Jody Maney:** Any other questions, on that? [No response] Page 49 is a list of annual
4 distributions, since First Bank and Trust started as the Escrow Agent. So, we started in 2010. It
5 lists your royalty and working income, any distributions. Then, 2017, for the year, the income
6 has been \$161,263. Distributions have been \$88,372. The next page is the investment of funds.
7 There is, roughly, \$17,000,000, in the ICS money market account, \$500,000 in CDARS,
8 \$250,000 in a First Bank CD. Both of those come due at the end of June. There's a total of
9 \$17,745,428.

10 **Bradley Lambert:** Do you need the Board to make a decision on the reinvestments on those
11 that are due in June?

12 **Jody Maney:** First Bank will come back, in July, if you want to wait until they actually mature,
13 at that time. It's up to you.

14 **Bradley Lambert:** Okay. How does the Board feel about that? Just wait?

15 **Mary Quillen:** I think we should wait, yes.

16 **Bradley Lambert:** Okay.

17 **Jody Maney:** Okay.

18 **Mary Quillen:** See how things are, interest-wise.

19 **Bill Harris:** Once they mature, they stay in place, though, until.... They don't drop out and we
20 come back a month later and say, "Oh, we should have kept those, then."

21 **Jody Maney:** They would go into the money market account. They would mature and...

22 **Mary Quillen:** Then, we'd just move them, if we want to re-invest them. We've done that,
23 before. They've been moved back out of the money market, when we've re-invested.

24 **Bill Harris:** I'm just wondering if we're losing anything, in the process, if we wait a month.

25 **Jody Maney:** It would be the change in interest rate, would be the only thing. Right now,
26 they're at .88, both of them.

27 **Bradley Lambert:** So, is the Board okay with waiting until July?

28 **Bill Harris:** I think so.

29 **Bradley Lambert:** Okay. Thank you.

1 **Jody Maney:** Okay. Page 51 is the investment snapshot, showing you have \$750,000 in these
2 two. Then, the last page is your pros and cons of the CDARS vs. Brokered CD's, that we try to
3 provide to you every quarter.

4 **Bradley Lambert:** Are there any questions from the Board? [No response] Mr. Cooper, did
5 you have one follow-up item?

6 **Rick Cooper:** Yes, Mr. Chairman. As of the last period, the Board wanted me to explain how
7 the exact pay works. I think there were some questions on how the exact pay works. I'll
8 describe that and give you a sample to go by. This exact pay, I guess we implemented about a
9 year ago. I'm just going to give an explanation of how you read the table, so it won't be
10 confusing, in the future.

11 **Donnie Ratliff:** Who was confused?

12 **Bradley Lambert:** At the last one, we had one whole docket that was just not exactly.... So,
13 good luck, Ms. Maney.

14 **Jody Maney:** This is one that we have already disbursed. The exact pay amount is on Table 1.
15 This docket, we were to continue, so we would use the previous month-end balance. I think this
16 one disbursed out in March, so we would have used February's balance. We take the ending
17 balance. We pay out the exact pay, first, to Daniel Keen. We paid him \$1,591.30. Then, on
18 Table 2, we take the ending balance and multiply out the percentages, to each individual person.
19 You'll see, on Virginia Resources, the adjustment amount, \$1,591.30, is to be subtracted off of
20 the Virginia Resources amount.

21 **Bradley Lambert:** That was the question that we had.

22 **Jody Maney:** I take the ending balance, multiply it by their percentage and then subtract off any
23 adjustments.

24 **Donnie Ratliff:** So, Daniel Lee Keen sold his interest to Virginia Resources, so he got a fixed
25 amount.

26 **Jody Maney:** He got a set amount.

27 **Donnie Ratliff:** Then, going forward, Virginia Resources would be paid direct, whatever their
28 share is.

29 **Jody Maney:** Yes.

30 **Donnie Ratliff:** Whatever their percentage is.

31 **Jody Maney:** Yes.

32 **Bradley Lambert:** You made it sound easy.

1 **Jody Maney:** My part of it is easy. It's everything that goes into it, until I get it, is the difficult
2 part.

3 **Mary Quillen:** The fixed amount is always paid first. Correct?

4 **Jody Maney:** It is paid, first, and then, deducted off of...

5 **Mary Quillen:** What the balance was.

6 **Jody Maney:** What the balance would have been.

7 **Mary Quillen:** Right.

8 **Bill Harris:** I think, in the past, part of my confusion has been how the fixed amount is
9 determined. Usually, we'll ask and get that explanation.

10 **Rick Cooper:** So, Mr. Chairman, we have one more item to carry over from the last session. It
11 was the docket number. I believe Ms. Gilmer had sent an email to everyone. It was Item 0161-
12 07, BUNE1. In 2012, there was a discrepancy on \$644.24. The Board had requested Ms. Maney
13 to see if she could find out what happened to that money. I think she has done so. She's going to
14 report on that.

15 **Bradley Lambert:** Great.

16 **Jody Maney:** The \$644.24 from CNX was a voided check from them. They did not take it off
17 of their deposit information. They re-issued it, looks like, July and August. Those two numbers
18 add up to the \$644.24. So, they had it duplicated on their deposit information.

19 **Mary Quillen:** The duplicate payment?

20 **Jody Maney:** Yes.

21 **Mary Quillen:** Oh! That's pretty simple. We thought it was something very complex.

22 **Jody Maney:** Matching up the deposits, I did not have a deposit for the \$644. I had two,
23 individual, deposits that total the \$644, that they had listed on here twice.

24 **Bradley Lambert:** Any other questions? [No response] Thank you, Ms. Maney. As always,
25 we appreciate it.

26 **Jody Maney:** Thank you.

27 **Rick Cooper:** I would like to say, before Ms. Maney leaves, I'm speaking on behalf of Sarah
28 and Sally and Brad and Blair that's worked with Ms. Maney, I cannot express how much she has
29 caught up in the last year. She has probably done a lot of work. She's probably caught three
30 years of data up, in the last year. I just wanted to thank her and let you all know how

1 appreciative we are of her. She's been very easy to work with and she's very clear and concise.
2 It's just been a real pleasure to work with her. The Board really needs to appreciate the work that
3 you all don't know that she's doing, which is great. You don't need to see she's doing it. You
4 need to see the results, but she's almost caught up three years of back data, so I want to thank her
5 for that.

6 **Bradley Lambert:** We appreciate you.

7 **Mary Quillen:** We really appreciate you. You clarify all these things that we imagine are just
8 overwhelming.

9 **Jody Maney:** Any time you have questions, we don't mind. Pick up the phone and call us, any
10 time.

11 **Bradley Lambert:** We'll do that. Thank you, very much. We appreciate it.

12 **Jody Maney:** Thank you.

13 **Item Number 3**

14 **Bradley Lambert:** At this time, the Board will call Docket Item Number 3. A petition from
15 CNX Gas Company, LLC, for (1) Modification of the Nora Coal Bed Gas Field Rules; and (2)
16 An administrative order providing that additional wells may be issued in the Nora Coal Bed Gas
17 Field. Docket Number VGOB-89-0126-0009-91. All parties wishing to testify please come
18 forward.

19 **Mark Swartz:** Mark Swartz and Anita Duty.

20 **Bradley Lambert:** Good morning.

21 **Mark Swartz:** I think, Mr. Cooper talked to us about this before the hearing, today. I think
22 EnerVest was here in, maybe, January, on the Nora. We filed this as a belt and suspenders
23 move, to make sure that these units were covered, but I understand that the order, which we just
24 got, covered this, so Docket Item 3, we really don't need to do. I think you did a blanket.

25 **Bradley Lambert:** My question was going to be, why is this on the docket? We've already
26 done this.

27 **Mark Swartz:** Right.

28 **Anita Duty:** I think, at the time we filed it, we didn't have the order. I had to actually ask for
29 the order, not that it didn't exist.

30 **Bradley Lambert:** Okay.

1 **Anita Duty:** We just wanted to make sure.

2 **Bradley Lambert:** So, I guess as far as the Board's concerned, we've already approved this.

3 **Mark Swartz:** It's already taken care of. We don't need the relief that we asked for.

4 **Bradley Lambert:** Do you all remember when we did this?

5 **Bill Harris:** I don't think I was here for that meeting, actually.

6 **Bradley Lambert:** Okay. So, we'll just move on.

7 **Mark Swartz:** Absolutely.

8 **Item Number 4**

9 **Bradley Lambert:** We're calling Docket Item Number 4. A petition from CNX Gas Company,
10 LLC, for re-pooling under Oakwood Coalbed Methane Gas Field I. This is Docket Number
11 VGOB-01-0515-0889-02. All parties wishing to testify please come forward.

12 **Mark Swartz:** Mark Swartz and Anita Duty.

13 **Sarah Gilmer:** Ms. Duty, do you swear and affirm that your testimony is the truth, the whole
14 truth and nothing but the truth?

15 **Anita Duty:** Yes.

16 **Bradley Lambert:** You may proceed, Mr. Swartz.

17 **Mark Swartz:** Thank you. Anita, would you state your name for us, please?

18 **Anita Duty:** Anita Duty.

19 **Mark Swartz:** Who do you work for?

20 **Anita Duty:** CNX Land, LLC.

21 **Mark Swartz:** Are you here on behalf of CNX Gas Company, LLC, today?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** And, CNX Gas Company is both the applicant and the designated operator.
24 Correct?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** This is a re-pooling?

1 **Anita Duty:** It is.

2 **Mark Swartz:** The reason for the re-pooling is what?

3 **Anita Duty:** There was, originally, an interest that we had pooled, that was covered by a farm-
4 out agreement with EQT. That expired before the well was drilled, so we need to come back and
5 pool that interest of LBR Holdings.

6 **Mark Swartz:** So, the lease that was subject to the farm-out, expired?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** So, we're pooling the folks that you've listed in the notice and in the application.
9 Correct?

10 **Anita Duty:** The lease is still valid. Our farm-out is just no longer.

11 **Mark Swartz:** Oh, the lease is valid. Okay. Gotcha.

12 **Anita Duty:** Because the lease is with EQT.

13 **Mark Swartz:** Correct. I understand. We're no longer an indirect party to that lease because
14 the farm-out expired.

15 **Anita Duty:** Correct.

16 **Mark Swartz:** Okay. Do you want to add any people to the folks that you've listed in your
17 application and your notice, or is that everybody we need to deal with, today?

18 **Anita Duty:** That's everybody.

19 **Mark Swartz:** You don't want to dismiss any of those folks. Correct?

20 **Anita Duty:** No.

21 **Mark Swartz:** What did you do to tell people we were going to have this hearing, today?

22 **Anita Duty:** Mailed by certified mail, return receipt requested, on January 19, 2017. Published
23 the notice and location map in the Bluefield Daily Telegraph on January 24, 2017.

24 **Mark Swartz:** And, it looks like there are two wells in this unit. Correct?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** Have people previously had their participation rights?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** So, the only thing is to square away the direct relationship, as opposed to the
2 farm-out relationship?

3 **Anita Duty:** Correct.

4 **Mark Swartz:** Have you provided the Board with a revised Exhibit E and EE, to reflect that?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** That's all I have, Mr. Chairman.

7 **Bradley Lambert:** Any questions from the Board? [No response] Do I have a motion?

8 **Mary Quillen:** Motion to approve.

9 **Bill Harris:** Second.

10 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
11 response] All in favor signify by saying yes.

12 **Board:** Yes.

13 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That is approved.

14 **Mark Swartz:** Thank you.

15 **Item Number 5**

16 **Bradley Lambert:** We're calling Docket Item Number 5. A petition from CNX Gas Company,
17 LLC, for re-pooling under Nora Coalbed Methane Gas Field I. Docket Number VGOB-06-
18 0620-1651-01. All parties wishing to testify please come forward.

19 **Mark Swartz:** Mark Swartz and Anita Duty.

20 **Bradley Lambert:** You may proceed, Mr. Swartz.

21 **Mark Swartz:** Anita, would you state your name for us, again?

22 **Anita Duty:** Anita Duty.

23 **Mark Swartz:** Who do you work for?

24 **Anita Duty:** CNX Land, LLC.

25 **Mark Swartz:** Are you here on behalf of the applicant, CNX Gas Company, LLC, today?

26 **Anita Duty:** Yes.

1 **Mark Swartz:** And, this is a re-pooling?

2 **Anita Duty:** It is.

3 **Mark Swartz:** And, it's in the Nora Field, Unit I106. Right?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** Why are we here, today, on this one?

6 **Anita Duty:** Actually, the unit size changed whenever they reconfigured between Middle Ridge
7 and Nora. They were overlapping each other and that unit is a little bit smaller than it used to be.
8 So, we're re-allocating the unit.

9 **Mark Swartz:** So, the unit is now a 61.43-acre unit, when it was re-mapped?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** That, obviously, is going to change some of the percentages.

12 **Anita Duty:** Yes, everybody's.

13 **Mark Swartz:** Everybody's?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** If we're looking at the plat, here, there is a well within the drilling window on
16 the eastern boundary, about a third of the way down. Then, there's a well in the bottom of the
17 unit, outside of the window, sort of in the center, from left to right, of the unit. Right?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Since we're re-allocating the percentages, I guess we're going to give everybody
20 another shot at participating. Right? Is the only reason that the boundaries of the unit changed
21 because it's on the intersection of two fields? Is that the only reason we're here, today?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** So, it's just a mapping issue?

24 **Anita Duty:** It is.

25 **Mark Swartz:** Have you provided an updated tract identification page and an updated plat, to
26 reflect that?

27 **Anita Duty:** Yes.

28 **Mark Swartz:** Also, updated and revised Exhibits E and EE?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Let me see if there's anything else, here. I believe that's all I have, Mr.
3 Chairman.

4 **Bradley Lambert:** Ms. Duty, when was this re-mapped?

5 **Anita Duty:** It wasn't that it was re-mapped. This was back when Bob Wilson was still here.
6 We're just now up in that area, so I don't exactly know.

7 **Rick Cooper:** Mr. Chairman, I may help the Board. I think this was in 2007 or 2008. When
8 they actually started re-aligning the fields, they noticed that where the fields came up together,
9 that there was a gap. The Board had directed that, when disbursements came forward, to re-align
10 these units, to fill that gap along where the two fields went together. Because of the curvature of
11 the earth, they didn't actually fit, side-by-side. It was either 2007 or 2008. I think there's like 12
12 or 14 of these units along that edge will have all the acreage changed. The Board had directed,
13 when they come forth, to address that issue.

14 **Bill Harris:** We used to talk about make-up units. Are these?

15 **Rick Cooper:** This is the way they're making units up, right here. The acreages are changing,
16 on that.

17 **Bradley Lambert:** So, this unit decreased?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** If you look at Item Number 3, which we didn't need to have, there are some
20 maps attached to that, that sort of illustrate what I think we're talking about.

21 **Bill Harris:** Actually, the last page here has....

22 **Mark Swartz:** For example, the map...

23 **Bradley Lambert:** Page 7 of 7, on Docket Item 3 shows that.

24 **Mark Swartz:** Page 5 shows four units. The one on the right is considerably larger. That's
25 approaching 100 acres, if I'm not mistaken. Then, if you look at the next map, you've got the
26 overlap, there, above it and a unit that's a little wider. I106 is the last one. You can see the road
27 there that, sort of, expanded, if you compare it to what's above and what's below. So, that's the
28 intersection issue that was addressed.

29 **Anita Duty:** There was actually an order created that had the metes and bounds description of
30 where the fields end.

1 **Bradley Lambert:** So, this is going to change the percentages and I don't have an Exhibit E.
2 Does anybody else? For 5. Does anybody else have those exhibits?

3 **Rick Cooper:** What exhibit are you looking for, Mr. Chairman?

4 **Bradley Lambert:** Ms. Duty testified that, Exhibit E, the percentages would change.

5 **Anita Duty:** There's no E or EE. He asked me if we had revised the E and EE and I said, "Yes,"
6 but after I answered that, I realized there wasn't one. There's only a B3.

7 **Bradley Lambert:** Okay.

8 **Anita Duty:** Sorry.

9 **Bradley Lambert:** I have B3. I don't have E's.

10 **Anita Duty:** There's not any, E or EE.

11 **Paul Kugelman:** Because there's nothing to escrow?

12 **Anita Duty:** Right.

13 **Paul Kugelman:** Okay.

14 **Mary Quillen:** So, the acres on this is the 16.38.

15 **Bradley Lambert:** This unit, now has changed to 61.43.

16 **Anita Duty:** It was, previously, a 70.04-acre unit. Now, it's 61.43. The acreage that we're
17 pooling, now, is 16.38.

18 **Mary Quillen:** Okay. So, it's not the whole thing.

19 **Anita Duty:** It's just one-third of those tracts, one-third of Tract 1C.

20 **Mary Quillen:** Okay. Gotcha.

21 **Anita Duty:** Now, Eagle Coal Corporation is the only unleased party.

22 **Mary Quillen:** Okay.

23 **Bradley Lambert:** Any other questions from the Board? [No response] Anything further, Mr.
24 Swartz?

25 **Mark Swartz:** No.

26 **Bradley Lambert:** Do I have a motion?

27 **Mary Quillen:** Motion to approve.

1 **Bill Harris:** Second.

2 **Bradley Lambert:** I have a motion and a second. Any further discussion? [No response] All in
3 favor signify by saying yes.

4 **Board:** Yes.

5 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That one is approved.

6 **Item Number 6**

7 **Bradley Lambert:** We're calling Docket Item Number 6. A petition from CNX Gas Company,
8 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
9 Agent, attributable to Tract 3B, as depicted upon the annexed table; and (2) authorization to
10 begin paying royalties directly to the parties listed in the petition; (3) Dismissal of Coal Owner.
11 This is Docket Number VGOB-00-0321-0782-04. All parties wishing to testify please come
12 forward.

13 **Mark Swartz:** Mark Swartz and Anita Duty.

14 **Bradley Lambert:** You may proceed, Mr. Swartz.

15 **Mark Swartz:** Anita, would you state your name for us, again?

16 **Anita Duty:** Anita Duty.

17 **Mark Swartz:** And, you're here on behalf of CNX Gas Company, LLC?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** And, this pertains to Drilling Unit R44?

20 **Anita Duty:** It does.

21 **Mark Swartz:** And, it's a request, or petition, for disbursement?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** And, the reasons why you are requesting this is we have a claimant, under House
24 Bill 2058. Right?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** We need to dismiss some coal claimants and is that the only reason?

27 **Anita Duty:** It is.

1 **Mark Swartz:** Okay. Have you prepared a Table 1?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** That is at Page 6, of the PDF. It involves one tract, 3B. Correct?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** And, you're requesting that Coal Mountain Mining Company, and you've
6 provided their address, be paid 23.3805% of the balance in the escrow account, at the time the
7 disbursement is made?

8 **Anita Duty:** Yes.

9 **Mark Swartz:** You've provided the names of the wells that have been contributing to this
10 account?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** You've updated the Exhibit E, escrow requirement, and the payment going
13 forward exhibit, which is EE. Correct?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** It looks like we have some issues with Exhibit J, which I assume, is why we're
16 here.

17 **Anita Duty:** It was submitted to where it would go on a docket. It really didn't need to be.

18 **Mark Swartz:** Okay. I guess where I'm coming from, then, on Exhibit J, were you able to
19 locate the deposit for all of your checks, ultimately?

20 **Anita Duty:** No.

21 **Mark Swartz:** Okay, but you're under \$500?

22 **Anita Duty:** Right.

23 **Mark Swartz:** So, you highlighted the issues that we have. Correct?

24 **Anita Duty:** We have.

25 **Mark Swartz:** Then, you've done your math, to determine whether you're north or south of the
26 \$500 cut-off.

27 **Anita Duty:** Yes.

1 **Mark Swartz:** What is the difference between your balance you calculated and the bank's
2 balance, in January?

3 **Anita Duty:** First Bank and Trust has \$87.60 more.

4 **Mark Swartz:** You've got proof of mailing to a coal owner. Correct?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** That's the James McGuire Land Trust. You did not get a response from them?

7 **Anita Duty:** Right.

8 **Mark Swartz:** And, we want to dismiss them.

9 **Anita Duty:** Yes.

10 **Mark Swartz:** You've got certification of notice to them. I think that's all I have, Mr.
11 Chairman.

12 **Bradley Lambert:** Any questions from the Board? [No response] Do I have a motion?

13 **Mary Quillen:** Motion to approve.

14 **Bill Harris:** Second.

15 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
16 response] All in favor signify by saying yes.

17 **Board:** Yes.

18 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That one is approved.

19 **Item Number 7**

20 **Bradley Lambert:** We're calling Docket Item Number 7. A petition from CNX Gas Company,
21 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
22 Agent, attributable to Tract 1D, as depicted upon the annexed table; (2) authorization to begin
23 paying royalties directly to the parties listed in the petition; (3) Dismissal of Coal Owner.
24 Docket Number VGOB-98-0324-0632-03. All parties wishing to testify please come forward.

25 **Mark Swartz:** Mark Swartz and Anita Duty.

26 **Bradley Lambert:** You may proceed, Mr. Swartz.

27 **Mark Swartz:** Anita, what's your name?

1 **Anita Duty:** Anita Duty.

2 **Mark Swartz:** Who do you work for?

3 **Anita Duty:** CNX Land, LLC.

4 **Mark Swartz:** And, you're here on behalf of the petitioner, CNX Gas Company, LLC. Right?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** This petition pertains to W37?

7 **Anita Duty:** It does.

8 **Mark Swartz:** It's another petition for disbursement from escrow?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** The reasons we're asking for a disbursement: We have a royalty split agreement
11 and we have some...

12 **Anita Duty:** I think it's just a royalty split agreement.

13 **Mark Swartz:** Let me see if we've given any coal notice. Let's go back, then, to Table 1, which
14 is Page 6 of the PDF. Right?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** And, this is a split agreement, obviously. A 50/50 split agreement?

17 **Anita Duty:** It is.

18 **Mark Swartz:** Are you requesting an order, authorizing the Escrow Agent to pay Hurt McGuire
19 Land Trust and CNX Gas Company? And, you've provided addresses, each .0894% of the
20 balance on hand in the escrow account, with regard to this unit, at the time the disbursement is
21 made?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** Have you updated Exhibits E and EE?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** Then, again, we've got some issues on Exhibit J. Right?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** Have you highlighted those, the problems you had?

1 **Anita Duty:** Yes, we have.

2 **Mark Swartz:** And, I take it, you have not been able to resolve them?

3 **Anita Duty:** No.

4 **Mark Swartz:** When you did your calculation, with regard to the difference between the
5 balance that you calculated and the balance on hand, on January 31, 2017, that the bank had,
6 what was the difference?

7 **Anita Duty:** The bank was showing \$734.85 less.

8 **Mark Swartz:** There was one correction that was made, but it did not fix that difference?

9 **Anita Duty:** Right.

10 **Mark Swartz:** And, you've noted that correction at Page 14?

11 **Anita Duty:** We have.

12 **Mark Swartz:** Then, we've got one of these affidavits, where Hurt McGuire is not dismissed, to
13 the extent they have split agreements?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** As a coal owner. But, to the extent that they do not have split agreements, they
16 are being dismissed?

17 **Anita Duty:** Correct.

18 **Mark Swartz:** And, we've got proof of notice, to them and Consolidation Coal, CNX, just
19 accepted their hand delivery. Right?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** That's all I have.

22 **Bradley Lambert:** Any questions from the Board? [No response] Do I have a motion?

23 **Mary Quillen:** Motion to approve.

24 **Bill Harris:** I'll second that.

25 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
26 response] All in favor signify by saying yes.

27 **Board:** Yes.

1 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That one is approved.

2 **Item Numbers 8, 9, 10, and 11**

3 **Bradley Lambert:** We're calling Docket Item Number 8. A petition from CNX Gas Company,
4 LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow
5 Agent, attributable to a portion of Tract 2, as depicted upon the annexed table; and (2)
6 authorization to begin paying royalties directly to the parties listed in the petition. Docket
7 Number VGOB-96-0116-0533-04. All parties wishing to testify please come forward.

8 **Mark Swartz:** Mark Swartz and Anita Duty.

9 **Bradley Lambert:** You may proceed, Mr. Swartz.

10 **Mark Swartz:** Number 8 involves the same people and the same declaratory judgment order, as
11 in 9, 10, and 11. We might put those together. On 12, we have some extra people, though. If
12 you could, maybe, combine 8, 9, 10, and 11.

13 **Bradley Lambert:** Sure. We're calling Docket Item Number 9. A petition from CNX Gas
14 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the
15 Board's Escrow Agent, attributable to a portion of Tract 3, as depicted upon the annexed table;
16 and (2) authorization to begin paying royalties directly to the parties listed in the petition.
17 Docket Number VGOB-99-0720-0729-04. We're calling Docket Item Number 10. A petition
18 from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited
19 with the Board's Escrow Agent, attributable to a portion of Tract 1, as depicted upon the annexed
20 table; and (2) authorization to begin paying royalties directly to the parties listed in the petition.
21 Docket Number VGOB-99-0720-0730-04. We're also calling Docket Item Number 11. A
22 petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore
23 deposited with the Board's Escrow Agent, attributable to a portion of Tract 3, as depicted upon
24 the annexed table; and (2) authorization to begin paying royalties directly to the parties listed in
25 the petition. Docket Number VGOB-99-0922-0747-04. You may proceed, Mr. Swartz.

26 **Mark Swartz:** Thank you. Anita, state your name for us, please.

27 **Anita Duty:** Anita Duty.

28 **Mark Swartz:** Remind us who you work for.

29 **Anita Duty:** CNX Land, LLC.

30 **Mark Swartz:** We are here, again, on behalf of the petitioner, CNX Gas Company, LLC.
31 Right?

32 **Anita Duty:** Yes.

1 **Mark Swartz:** These four consolidated cases, the reason that we're here is because the people
2 involved in Docket Items 8, 9, 10, and 11 are the same?

3 **Anita Duty:** They are.

4 **Mark Swartz:** And, we're seeking to get them paid under a corrected declaratory judgment, in
5 Case Number CL15-361. Right?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** And, you've attached a copy of the judgment?

8 **Anita Duty:** We have.

9 **Mark Swartz:** That same judgment applies to all four of these cases?

10 **Anita Duty:** It does.

11 **Mark Swartz:** All four of these cases involve units that were, originally, pooled as frack units?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Then, at some point, they were subsumed into the Buchanan Number 1 Mine,
14 Sealed Gob Unit 2?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** And, at some point, the revenue, with regard to these four units, went from being
17 original frack units, and went into the Sealed Gob?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** And, the disbursements that we're seeking are actually from the original frack
20 units?

21 **Anita Duty:** They are.

22 **Mark Swartz:** We have provided a Table 1, for each of these cases?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Let's find the first one, here, Page 5, with regard to Item Number 8. You've
25 listed seven people?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** Are these the same seven people that are going to receive payments in each of
28 these four units?

1 **Anita Duty:** It is.

2 **Mark Swartz:** In each of the units, have you provided a Table 1?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** And, all of the Table 1's list these same folks?

5 **Anita Duty:** It does.

6 **Mark Swartz:** Have you provided, in the second column from the right-hand side, in each of
7 the tables, a percentage that the Escrow Agent should use to calculate the amount payable to
8 each of the people you've identified?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** And, what the Escrow Agent should be directed to do is take that percentage in
11 the second column from the right-hand side, with regard to each of these four units, and multiply
12 that percentage times the balance on hand and that will generate the dollar amount of the check?

13 **Anita Duty:** It will.

14 **Mark Swartz:** Then, in each of these four units, have you provided the Board with an updated
15 Exhibit E and an updated Exhibit EE?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** Okay. With Item Number 8, you've got an Exhibit J, with some issues that you
18 highlighted. Correct?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** And, you were unable to resolve those issues?

21 **Anita Duty:** Correct.

22 **Mark Swartz:** When you did your reconciliation of the amounts, there was a difference in what
23 amount?

24 **Anita Duty:** First Bank and Trust had \$87.60 more. Wait. \$349.07 more.

25 **Mark Swartz:** Okay. I think I said earlier, you've given us a copy of the corrected declaratory
26 judgment?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** Let's go to the next one, which would be Item Number 9. Did you prepare an
2 Exhibit J, with regard to Docket Item Number 9?

3 **Anita Duty:** I did.

4 **Mark Swartz:** It looks like that did not have any checks that you couldn't find deposits for. It
5 looks like that was pretty straight-forward.

6 **Anita Duty:** Yes.

7 **Mark Swartz:** Did you do a calculation, at the end, then, to compare the balance that you came
8 up with, to the bank's balance?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** What was the difference?

11 **Anita Duty:** First Bank and Trust has \$29.91 more than our calculation.

12 **Mark Swartz:** Okay. We've got a copy of the same judgment. That's all I have on 9. Let's
13 move to 10. You did an Exhibit J, in 10. Right?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** It looks like you were able to identify a deposit for every check?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** And, you made your calculation, to compare your balance to the bank balance
18 and what was the difference?

19 **Anita Duty:** The bank is showing \$75.82 more.

20 **Mark Swartz:** Okay. On the last one, we need to take a look at Exhibit J, for Item Number 11.
21 Let's go through that. It looks like you were able to find a deposit for every check?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** When you did your math to calculate a total and compared that to the First Bank
24 and Trust balance at the end of January, was there a difference?

25 **Anita Duty:** First Bank and Trust is showing \$94.64 more.

26 **Mark Swartz:** That's all I have, on those four, Mr. Chairman.

27 **Bradley Lambert:** Any questions from the Board?

28 **Donnie Ratliff:** Mr. Chairman.

1 **Bradley Lambert:** Mr. Ratliff.

2 **Donnie Ratliff:** On Docket Item Number 8, help me find a well, on the plat.

3 **Mark Swartz:** We probably won't be able to help you because I'm assuming that, if it was there,
4 you would have found it, but we'll look.

5 **Anita Duty:** Those plats are really old because that's from the original.

6 **Mark Swartz:** Let's take a look and see what we've got.

7 **Anita Duty:** There's no well shown on that plat. What we're saying is the production is coming
8 from V31A, but it would have also included any panel production, at the time. So, at the time
9 we pooled that, we may have just had panel producing, there.

10 **Mark Swartz:** Does that make sense or do we need to...?

11 **Bradley Lambert:** I guess that makes sense, but I guess my question was would you be able to
12 supply us with an updated plat, showing the wells?

13 **Mark Swartz:** Sure. The problem is that it's possible that there never was a well in this unit, if
14 it was panel production.

15 **Rick Cooper:** So, Mr. Chairman, I believe I can help that. There is no well drilled in that
16 particular unit.

17 **Anita Duty:** Thank you.

18 **Rick Cooper:** You're welcome. You had one permitted, but it expired and was never drilled.

19 **Mark Swartz:** That's why I asked, a moment ago, if you needed an explanation. These units
20 are in a mine area, from a Gob. Originally, a bunch of the units in mine areas were produced as
21 panel production, from a panel. There may not have been a well in some of those units when it
22 gobbled. So, there is production allocated on a panel-basis. They were pooled, as panels. So,
23 you would have some pieces of units in long wall panels that were receiving allocated production
24 from wells in other units, covered by that panel. So, there was actually a pooling of a panel.

25 **Mary Quillen:** So, those panels cross over.

26 **Mark Swartz:** Right.

27 **Mary Quillen:** Between more than one unit.

28 **Mark Swartz:** Correct. It would be a long wall panel that would go for some great distance.

29 **Mary Quillen:** Right.

1 **Mark Swartz:** There was a period of time when we were pooling those panels. We pool them
2 as a production unit. Eventually, then, in the Sealed Gob, the unit got subsumed into that. So,
3 there's not a well in this unit, although it had production that was allocated to it, as part of a panel
4 unit, from other wells located in other units in that panel.

5 **Mary Quillen:** So, those owners in that particular unit, even though there's not a well there,
6 whatever their percentage is, is part of this panel, the production that's coming off of this panel.
7 Is that correct?

8 **Mark Swartz:** Right.

9 **Mary Quillen:** Okay.

10 **Mark Swartz:** You calculated the acreage in the panel and the units to get the dollars and cents
11 that went to the particular units.

12 **Mary Quillen:** That makes sense.

13 **Mark Swartz:** It's the same calculation, looking for the acreage and attributing the production,
14 based on the acreage. We could give you another plat, but it wouldn't have a well.

15 **Bradley Lambert:** Any other questions from the Board? [No response] Anything further, Mr.
16 Swartz?

17 **Mark Swartz:** No.

18 **Bradley Lambert:** Do I have a motion, on Docket Items 8, 9, 10, and 11?

19 **Mary Quillen:** Motion to approve 8, 9, 10, and 11.

20 **Bill Harris:** I'll second that.

21 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
22 response] All in favor signify by saying yes.

23 **Board:** Yes.

24 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. Those are approved.

25 **Mark Swartz:** Thank you.

26 **Item Number 12**

27 **Bradley Lambert:** We're calling Docket Item Number 12. A petition from CNX Gas
28 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the
29 Board's Escrow Agent, attributable to Tracts 11, 34, 38 & 45, as depicted upon the annexed

1 table; and (2) authorization to begin paying royalties directly to the parties listed in the petition.
2 This is Docket Number VGOB-02-0319-1008-07. All parties wishing to testify please come
3 forward.

4 **Mark Swartz:** Mark Swartz and Anita Duty.

5 **Bradley Lambert:** You may proceed, Mr. Swartz.

6 **Mark Swartz:** Anita, you need to give us your name, again.

7 **Anita Duty:** Anita Duty.

8 **Mark Swartz:** And, you're here on behalf of the applicant, or petitioner. Correct?

9 **Anita Duty:** Yes.

10 **Mark Swartz:** And, this is a petition for disbursement, again, with regard to VP2 Sealed Gob
11 Unit 1. Right?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** We see the same folks that we saw in 8-11, under declaratory judgment. Right?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** But, we also see a couple of additional people that are gas claimants, under the
16 Act?

17 **Anita Duty:** Yes.

18 **Mark Swartz:** And, so, we're seeking a disbursement to them, as well. It looks like we may
19 have noticed some coal owners, too, but we'll eventually get to that. Have you prepared a Table
20 1?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** In Table 1, which is a couple of pages, have you listed the tracts, the tracts that
23 are affected by the disbursement request?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** For each person or company that you propose to get a disbursement, have you
26 given a name and an address for each person or company?

27 **Anita Duty:** Yes.

28 **Mark Swartz:** And, this is a percentage disbursement?

1 **Anita Duty:** It is.

2 **Mark Swartz:** And, so, in the second column from the right-hand side, with regard to
3 everybody that we're seeking to get paid, have you given a percentage in that column, second
4 from the right?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** And, the Escrow Agent should be directed to use that percentage for each person
7 or company, multiply it times the balance on hand when the disbursement is being made and that
8 will generate the correct dollar amount?

9 **Anita Duty:** It will.

10 **Mark Swartz:** Okay. Then, at the end of the second page of Table 2, you've given a pretty
11 significant list of the wells in the Sealed Gob unit?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** Okay. Have you provided updated Exhibits E and EE?

14 **Anita Duty:** We have.

15 **Mark Swartz:** Then, we've got an Exhibit J. Correct?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** We had some issues on Exhibit J, that you highlighted?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** Instances where you cut checks and you can't find corresponding deposits.

20 **Anita Duty:** Correct.

21 **Mark Swartz:** Some of them are closed and some of them aren't there.

22 **Anita Duty:** Right.

23 **Mark Swartz:** At the end, have you made a calculation of what your checks and disbursements,
24 the balance that that would generate?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** Then, you looked at the October 2016 First Bank and Trust balance, which was
27 your point of comparison, and when you compared that, was there a difference?

28 **Anita Duty:** The bank is showing \$343.75 less.

1 **Mark Swartz:** Again, we're seeing the same amended judgment. Right?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** It does not look like we've got any coal owner dismissals. Correct? We may
4 have done it, before.

5 **Anita Duty:** It should be.

6 **Mark Swartz:** You're showing that you actually gave notice to a collection of coal owners and
7 it didn't get in the PDF that I'm looking at. Do you guys have it on file? It looks like we've got
8 an affidavit here.

9 **Anita Duty:** That's not the same one.

10 **Sarah Gilmer:** There is a....

11 **Mark Swartz:** You do? What coal owners did we notice?

12 **Sarah Gilmer:** Hold on. Let me pull it up. It's slow.

13 **Mark Swartz:** Maybe, we can look at the plat.

14 **Anita Duty:** Torch.

15 **Mark Swartz:** Is it Torch, or no?

16 **Sarah Gilmer:** I think, actually, what I saw was just the gas owners.

17 **Anita Duty:** So, we need to upload the coal affidavit.

18 **Mark Swartz:** We need to upload the coal affidavits. We don't currently have those available.

19 **Bradley Lambert:** You don't have it in your relief sought, either, in your petitions.

20 **Mark Swartz:** We asked for it, but we didn't.... If you look at the reason section...

21 **Bradley Lambert:** That's what I'm looking at.

22 **Mark Swartz:** We say that we're seeking, that we gave them notice, but we haven't attached
23 that. We don't have that.

24 **Bradley Lambert:** None of that's attached.

25 **Mark Swartz:** I guess what I would suggest is let's just...

26 **Sarah Gilmer:** There is a coal affidavit that was submitted with the 05.

27 **Anita Duty:** That's what I'm thinking.

1 **Rick Cooper:** There is. It's 05.

2 **Mark Swartz:** The reason we didn't do it.... This is one of those things, we've been here seven
3 times?

4 **Anita Duty:** Yes. This is the seventh.

5 **Mark Swartz:** The seventh trip. The coal owners were dismissed on the fifth trip.

6 **Paul Kugelman:** So, they've been previously dismissed?

7 **Mark Swartz:** Correct.

8 **Rick Cooper:** And, we have that on file.

9 **Mark Swartz:** It's on file. I was concerned that we needed to give them notice. Since they've
10 already been dismissed, we don't need to. Otherwise, we would have had to continue this. So, I
11 think we can go ahead, based on the previous dismissal in the 05 petition. We can go ahead and
12 pay these people, the gas claimants.

13 **Paul Kugelman:** Just for the clarity of the record, is there a designation? Is it the same Docket
14 Number?

15 **Mark Swartz:** Right. It's just an 05, at the end.

16 **Sarah Gilmer:** It is.

17 **Paul Kugelman:** Okay.

18 **Sarah Gilmer:** We can, actually, pull it through if you want us to pull it.

19 **Bradley Lambert:** When were those...? When was that one done?

20 **Sarah Gilmer:** They were received by the coal company in November 2015. They were signed
21 for.

22 **Bradley Lambert:** We're good to go. We're okay. We're good to go.

23 **Mark Swartz:** We need to be sure that happened. Otherwise, you know, because we have to
24 show notice.

25 **Bradley Lambert:** Right. No need to make it more complicated. We're good to go.

26 **Mark Swartz:** Let's get these people paid. We're done.

27 **Bradley Lambert:** Any questions from the Board? [No response] Do I have a motion?

28 **Mary Quillen:** Motion to approve.

1 **Bill Harris:** Second.

2 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
3 response] All in favor signify by saying yes.

4 **Board:** Yes.

5 **Bradley Lambert:** Opposed no. [No response] That one is approved, Mr. Swartz. Thank you.

6 **Mark Swartz:** Thank you.

7 **Item Number 13**

8 **Bradley Lambert:** We're calling Docket Item Number 13. A petition from CNX Gas
9 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the
10 Board's Escrow Agent attributable to a portion of Tract 4, as depicted upon the annexed table;
11 and (2) authorization to being paying royalties directly to the parties listed in the petition.
12 Docket Number VGOB-02-0416-1024-03. All parties wishing to testify please come forward.

13 **Mark Swartz:** Mark Swartz and Anita Duty.

14 **Bradley Lambert:** You may proceed, Mr. Swartz.

15 **Mark Swartz:** Thank you. Anita, state your name for us, again.

16 **Anita Duty:** Anita Duty.

17 **Mark Swartz:** And, you're here today, on behalf of the petitioner, CNX Gas Company, LLC?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** It's a request for a disbursement from the escrow account, pertaining to BA111.
20 Right?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** The reason, here, is pretty straight-forward. We've got a split agreement.

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Did you prepare a Table 1, consistent with that split agreement?

25 **Anita Duty:** We did.

26 **Mark Swartz:** And, it's a 50/50 split, obviously?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** And, the Escrow Agent should be directed to pay 16.6680% of the escrow
2 account balance, when the checks are cut, to Allen Dye and you've given an address, and
3 Buckhorn Coal Company and you've given an address. Right?

4 **Anita Duty:** Yes.

5 **Mark Swartz:** And, you've given us an updated Exhibit E and an updated Exhibit EE. Right?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** Turning to the Exhibit J, we've got some differences that you have highlighted
8 and, I assume, you've been unable to resolve those issues?

9 **Anita Duty:** Correct.

10 **Mark Swartz:** Again, the stuff that's colored, those are issues you identified, but resolved?

11 **Anita Duty:** Correct.

12 **Mark Swartz:** Did you, then, do the math to calculate what you thought should be on deposit?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** Compare that to the January 2017 First Bank and Trust balance and did you find
15 a difference?

16 **Anita Duty:** The bank is showing \$23.45 less than our calculation.

17 **Mark Swartz:** It looks like you've attached a copy of the split agreement. Yes. That's all I
18 have.

19 **Bradley Lambert:** Any questions from the Board? [No response] Do I have a motion?

20 **Mary Quillen:** Motion to approve.

21 **Bill Harris:** Second.

22 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
23 response] All in favor signify by saying yes.

24 **Board:** Yes.

25 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That one is approved.

Item Number 14

Bradley Lambert: We're calling Docket Item Number 14. Docket Item 14 has a party, Loeita Lambert. The Chairman doesn't know Loeita Lambert, but to be on the safe side, I'll recuse myself and ask Ms. Quillen, would you please take this one?

Mary Quillen: Item Number 14. A petition from CNX Gas Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to a portion of Tracts 1A, 1C, 1D, and 1E, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the claimants listed in the petition. Unit Number AY100. Docket Item VGOB-02-1217-1104-03. All those wishing to speak to this item, please come forward.

Mark Swartz: Mark Swartz and Anita Duty. Anita, do you want to give us your name, again?

Anita Duty: Anita Duty.

Mark Swartz: Are you here on behalf of CNX Gas Company, LLC, with regard to this petition?

Anita Duty: Yes.

Mark Swartz: And, this is another request for disbursement from escrow, pertaining in this instance, to AY100?

Anita Duty: Yes.

Mark Swartz: The reason for the request, here, is we've got a split agreement and we have some gas claimants?

Anita Duty: Yes.

Mark Swartz: You've given notice to Harrison-Wyatt. Right?

Anita Duty: Yes.

Mark Swartz: So, we're talking split agreements and gas claimants. Right?

Anita Duty: Yes.

Mark Swartz: Have you provided or prepared a Table 1?

Anita Duty: Yes.

Mark Swartz: Table 1 pertains to Tracts 1A, 1D, and 1E. Correct?

Anita Duty: And 1C.

1 **Mark Swartz:** Sorry. 1A, 1C, 1D, and 1E?

2 **Anita Duty:** Yes.

3 **Mark Swartz:** Okay. For each person or company that you're proposing receive a
4 disbursement, you've given the name and an address. Right?

5 **Anita Duty:** Yes.

6 **Mark Swartz:** And, the Escrow Agent should be directed to use the percentage stated for each
7 person or company in the second column from the right-hand side, multiply that percentage
8 times the balance on hand at the time the disbursements are being made and that will generate
9 the dollar amount that should be used?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** Okay. You've identified the wells that contributed to the escrow. You've given
12 us an updated Exhibit E and EE. Correct?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** And, you've done an Exhibit J?

15 **Anita Duty:** Yes.

16 **Mark Swartz:** Once again, we see some highlighting, showing issues that you were unable to
17 resolve?

18 **Anita Duty:** Correct.

19 **Mark Swartz:** And some brackets, showing issues that you were able to resolve.

20 **Anita Duty:** Yes.

21 **Mark Swartz:** It looks like there was one correction made and you've noted that, on the last
22 page?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** Nevertheless, when you did your calculation and compared it to the bank's
25 balance, as of January 2017, there was a difference. Right?

26 **Anita Duty:** First Bank and Trust had \$72.70 more. Mine's actually showing the correction of
27 the \$478.10 from March.

28 **Sarah Gilmer:** There's a revised J, in our system.

1 **Rick Cooper:** So, what happened, we transferred that money. It was incorrectly deposited. It
2 was 1140 and 1104, so we transferred the money out on March 30, into the correct account, to
3 get the reconciliation correct. Then, you uploaded the corrected J.

4 **Anita Duty:** That was probably prior to this.

5 **Rick Cooper:** After they got their package, but we did transfer that money out on March 30, of
6 this year.

7 **Mark Swartz:** To do the math, then, the number that Anita gave you, which is \$72.70, is the
8 difference between, if you look at the First Bank and Trust difference on the exhibit that we
9 have, it's \$405.46. Right?

10 **Mary Quillen:** Yes.

11 **Mark Swartz:** If you fix it with the \$478.16, that's the difference, the \$72.70. It's positive.
12 Then, you've got a coal notification. Right?

13 **Anita Duty:** Yes.

14 **Mark Swartz:** This is one of those situations where Harrison Wyatt has some split agreements
15 pertaining to some of the tracts, but not all of them?

16 **Anita Duty:** Correct.

17 **Mark Swartz:** And, to the extent that Harrison Wyatt has split agreements, we don't want them
18 to be dismissed, but to the extent that they don't, we do want them dismissed, as a coal owner.
19 And, you've provided proof of notice. Correct?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** They signed for their notice November 5, 2015.

22 **Anita Duty:** Yes.

23 **Mark Swartz:** That's all I have.

24 **Mary Quillen:** Any questions from the Board? [No response] Do I hear a motion?

25 **Bill Harris:** Motion for approval.

26 **Rita Surratt:** Second.

27 **Mary Quillen:** You have a motion and a second. This item 14 has been approved. I'm sorry.
28 We need to vote. All those in favor say yes.

29 **Board:** Yes.

1 **Mary Quillen:** Opposed no. [No response] Motion carries.

2 **Bradley Lambert:** One abstention. Mr. Lambert.

3 **Mary Quillen:** One abstention. Mr. Lambert.

4 **Bradley Lambert:** Thank you, Ms. Quillen.

5 **Item Number 15**

6 **Bradley Lambert:** We're calling Docket Item Number 15. A petition from CNX Gas
7 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the
8 Board's Escrow Agent, attributable to a portion of Tracts 10 & 12, as depicted upon the annexed
9 table; and (2) authorization to begin paying royalties directly to the parties listed in the petition.
10 Docket Number VGOB-05-1015-1506-03. All parties wishing to testify please come forward.

11 **Mark Swartz:** Mark Swartz and Anita Duty.

12 **Bradley Lambert:** You may proceed, Mr. Swartz.

13 **Mark Swartz:** Anita, state your name for us, please.

14 **Anita Duty:** Anita Duty.

15 **Mark Swartz:** Are we here on behalf of the applicant, CNX Gas Company, LLC?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** And, this is a disbursement request and some related relief, with regard to
18 BE107. Right?

19 **Anita Duty:** Yes.

20 **Mark Swartz:** And, the reasons that we are here is we have some gas claimants?

21 **Anita Duty:** Yes.

22 **Mark Swartz:** We've got a B Tract, the A.J. Brown heirs that we've seen in a bunch of units and
23 an issue pertaining to them, which we'll get to, in a moment. Right?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** And, we've given notice to some coal owners that need to be dismissed?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** And, we've got a previous dismissal of some folks that we didn't notice.

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Let's go to Table 1 and start with that. Table 1 is two pages. Right?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** It's a percentage table?

5 **Anita Duty:** It is.

6 **Mark Swartz:** It pertains to Tract 10 and 12, I think. Right?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** And, for each person or company that you're proposing receive a disbursement,
9 have you given the name of the person or company?

10 **Anita Duty:** Yes.

11 **Mark Swartz:** And, an address?

12 **Anita Duty:** Yes.

13 **Mark Swartz:** And, have you also provided, in the second column from the right-hand side, the
14 percentage that the Escrow Agent should use to multiply times the balance on hand, at the time
15 the disbursements are made and that percentage will generate the correct dollar amount?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** With regard to Tract 12, there's a request that CNX Gas Company receive
18 .4113% of the escrow balance, which if it was done, as of the time you did this reconciliation, it
19 would have generated \$32.80. Right?

20 **Anita Duty:** Yes.

21 **Mark Swartz:** And, that pertains to the A.J. Brown heirs?

22 **Anita Duty:** Yes.

23 **Mark Swartz:** Why are you asking for that relief?

24 **Anita Duty:** We had, previously, shown that as unknown heirs and, then, we had a certain
25 portion of that heirship on pay. Since the new process has come along and the heirship has
26 changed, significantly, the people that are currently on pay are being paid at the wrong
27 percentage and the wrong percentage is being escrowed. So, we want to zero that tract out and
28 redistribute that \$32.82 to all the A.J. Brown heirs and just clear that tract out of escrow. It's,
29 basically, because we can't show you how we're going to...what fraction goes with what person

1 because all of them have changed. We thought it would be easier if you would allow us to just
2 take that \$32 and redistribute it and close that Tract 12 out of escrow because we escrowed the
3 wrong percentage and we have also paid the wrong percentage, based on the new heirship.

4 **Bradley Lambert:** Did you overpay or underpay?

5 **Anita Duty:** Well, we overpaid the ones that are currently on pay and we haven't put enough in
6 escrow to pay the ones that weren't on pay.

7 **Bradley Lambert:** So, if you zero it out, what are you going to do about those folks that have
8 been underpaid?

9 **Anita Duty:** We're going to offset it. Once we correct the whole, entire heirship, currently
10 placing everybody on pay, everybody's going to be caught up to current, what they should have
11 been paid and we will recoup from the people that were overpaid. We can give you some kind of
12 report, when we're done, if you want us to do that, to let you know what we've done.

13 **Bradley Lambert:** Your relief sought says that you're requesting that the funds be placed in
14 escrow, attributable to a portion of Tract 12, and then disburse that to CNX.

15 **Anita Duty:** That's what we're asking, to close that Tract 12 out, pay us that \$32.80, so we can
16 redistribute to the heirs that were paid incorrectly.

17 **Paul Kugelman:** The total amount of money you're asking to get back is \$32.80?

18 **Anita Duty:** Yes.

19 **Mark Swartz:** To redistribute, which will close that tract out of the escrow because everybody
20 could be on pay.

21 **Paul Kugelman:** So, it closes out the well for the escrow.

22 **Mark Swartz:** Just that tract.

23 **Paul Kugelman:** That tract. Closes out that tract, for the escrow, and you redistribute \$32.80
24 and that catches...

25 **Anita Duty:** That pays everybody. Well, you can see on Exhibit EE how we're going to pay the
26 A.J. Brown heirs, now, going forward. It's just we didn't have a way to be able to show you
27 where that \$32 was going to go because part of it would go to people currently on pay and, then,
28 we needed to have the people that were on pay, some of that money recouped from them to pay
29 owners that weren't already on pay.

30 **Mary Quillen:** Approximately, how many heirs are there?

31 **Mark Swartz:** I'm looking for that.

1 **Anita Duty:** It was a difficult decision to try to figure out how to.... We really didn't know how
2 to show it.

3 **Mary Quillen:** But, the people that were overpaid, you would recoup that out of what you're
4 designating for them, now?

5 **Anita Duty:** People who were overpaid?

6 **Mary Quillen:** Yes.

7 **Anita Duty:** This is actually fee property. The only reason it was escrowed, to start with, is
8 because we had certain groups within the heirship that were unknown. So, we will take back
9 from the people that were overpaid and then redistribute everything back to the people.

10 **Mary Quillen:** How are you going to get that? That's my question. How are you going to get
11 that back from those people? Will that come from what?

12 **Anita Duty:** Systematically, we'll do it.

13 **Paul Kugelman:** Are you going to reduce their future royalty payments?

14 **Anita Duty:** Correct.

15 **Mary Quillen:** Oh, okay.

16 **Paul Kugelman:** I think that was the question. How are you effecting the adjustment for the
17 overpayment?

18 **Anita Duty:** Okay. I'm sorry.

19 **Paul Kugelman:** It's not coming out of the \$32.80, which didn't seem like a whole lot, to be
20 able to correct overpayment with.

21 **Anita Duty:** Well, and it's a very small.... If you look at the fractions, the fractions are very
22 small.

23 **Paul Kugelman:** The Board just wants to understand the mechanism. That's all.

24 **Anita Duty:** I wasn't paying attention to the question.

25 **Mary Quillen:** I didn't ask that very clearly.

26 **Anita Duty:** I didn't answer you right, either.

27 **Mark Swartz:** If you look at pages, I guess it would be...

28 **Anita Duty:** If you look at Tract 12 on the EE...

1 **Mark Swartz:** If you look at, on mine its Page 23 of your PDF, at the middle of that page is
2 Tract 12, which is .25 acres in escrow. Right?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** Then, you come down to oil and gas ownership and the A.J. Brown heirs. Then,
5 on the next page we've got just a few people listed. Right?

6 **Anita Duty:** Right.

7 **Mark Swartz:** That's the piece that's been in escrow, apparently. Right?

8 **Anita Duty:** Yes, but that's not everything that everybody's due. That's the problem.

9 **Mark Swartz:** I understand.

10 **Paul Kugelman:** How much of an overpayment do you think we're talking about?

11 **Anita Duty:** Well, it's just within the tract. It's not within...

12 **Paul Kugelman:** I understand, but how much overpayment, in the tract, are we talking about?
13 Do you have any idea?

14 **Anita Duty:** I have no idea.

15 **Paul Kugelman:** I was just curious.

16 **Mary Quillen:** This whole tract is less than two acres.

17 **Anita Duty:** The portion that's being escrowed is very small. Like I said, this is a fee tract.
18 Normally, it wouldn't be escrowed, if we would have known all the parties, at the time.

19 **Mark Swartz:** If you look at the plat.... Do you guys have a plat?

20 **Bill Harris:** Yes.

21 **Mark Swartz:** To answer your question, if you look at Page 3, you can see Tract 12 in the, sort
22 of, southeast corner. If you go to the tract identifications, there are 2 1/2 acres in the unit. So,
23 it's a total of 2 1/2 acres, in that 9-acre tract that's in the unit. There was .25 acres of that in
24 escrow. So, what Anita's saying is, with regard to all of the heirs, there's 2 1/2 acres of money
25 that has been misapplied between them. We're going to pay some, to catch up and take away to
26 make that up, within that group.

27 **Mary Quillen:** Right. It's going to be pennies.

28 **Mark Swartz:** Well, not for 2 1/2 acres. I mean, is this an 80?

1 **Anita Duty:** It's not going to be a lot.

2 **Mark Swartz:** Is this an 80-acre unit, though?

3 **Anita Duty:** 58.74

4 **Mark Swartz:** It's not going to be a huge amount of money, but it's certainly way more than
5 \$32.

6 **Mary Quillen:** Right.

7 **Bradley Lambert:** Just for the record, I want to clear up the statement in B, in your relief
8 sought, that says the money will be disbursed to CNX. It, actually, will be disbursed to CNX,
9 but then it will be redistributed to those parties listed.

10 **Mark Swartz:** Correct.

11 **Bradley Lambert:** Okay. Any other questions from the Board? [No response] Anything
12 further, Mr. Swartz?

13 **Mark Swartz:** I think we've got the coal dismissal issue, too. At Page 28, we've a supplemental
14 affidavit of mailing, with regard to coal owners. We've got, at the next page, the summary of
15 when it was mailed and when it was signed for. We've got one coal owner that it was unclaimed.
16 So, the John Branch, we do not want the order to dismiss him because we've got unclaimed mail.
17 Everybody else could be dismissed. This may be one where it exceeded the time. Let me look at
18 this. At Page 33, status of item, he had it there. It's a good address, but he didn't claim it and the
19 maximum hold time expired and it came back. I think that the position we've adopted with
20 regard to that is they had it. They could have picked it up and they didn't. We can move
21 forward. So, I guess we're good with that one. If they come back and we have a bad address,
22 then it's been an issue.

23 **Paul Kugelman:** Do you guys do a mirror-mailing, first class? I know I've asked that before,
24 but I can't remember. Do you mail the same thing, first-class, as well? Do you do return receipt
25 and first-class and the first-class did not come back?

26 **Anita Duty:** It's not certified, so...

27 **Paul Kugelman:** I understand, but if it's a bad address.... So, it at least got to the address?

28 **Mark Swartz:** Right.

29 **Paul Kugelman:** Okay.

30 **Mark Swartz:** When they show max-hold time and it's a post office box for whatever their hold
31 time is...the card. So, to modify that, I think we can dismiss that coal owner, based on that
32 mailing.

1 **Bradley Lambert:** I would agree. Anything further?
2 **Mark Swartz:** No.
3 **Bradley Lambert:** Any more questions from the Board? [No response] Do I have a motion?
4 **Mary Quillen:** Motion to approve.
5 **Bill Harris:** I'll second.
6 **Bradley Lambert:** I have a motion and a second. Any further discussion? [No response] All in
7 favor signify by saying yes.
8 **Board:** Yes.
9 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That is approved.
10 We're going to take about ten minutes.

11 **Item Number 16**

12 **Bradley Lambert:** Ladies and gentlemen, if you could please take your seats, we'll resume our
13 proceedings, this morning. We're calling Docket Item Number 16. A petition from CNX Gas
14 Company, LLC, for (1) the disbursement of escrowed funds heretofore deposited with the
15 Board's Escrow Agent, attributable to Tracts 1E, 5G, 5H, 5I, 5J, 8 and a portion of 3, as depicted
16 upon the annexed table; and (2) authorization to begin paying royalties directly to the parties
17 listed in the petition; (3) Dismissal of coal owners. This is Docket Number VGOB-06-0321-
18 1597-02. All parties wishing to testify please come forward.

19 **Mark Swartz:** Mark Swartz and Anita Duty.

20 **Bradley Lambert:** You may proceed.

21 **Mark Swartz:** Anita, state your name for us, again.

22 **Anita Duty:** Anita Duty.

23 **Mark Swartz:** This is a petition regarding VP8 Sealed Gob Unit 4. Right?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** And, are you here on behalf of CNX Gas Company, LLC, the petitioner?

26 **Anita Duty:** Yes.

27 **Mark Swartz:** And, we're seeking a disbursement from escrow. The reasons are we have a
28 bunch of gas claimants. Right?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Is that a yes?

3 **Anita Duty:** Yes.

4 **Mark Swartz:** Okay. And, we've given notices of coal claimants. That's it. Right?

5 **Anita Duty:** Coal claimants and royalty splits. Yes.

6 **Mark Swartz:** Right. And, we have a Table 1, starting at Page 14?

7 **Anita Duty:** Yes.

8 **Mark Swartz:** And, it's two pages. Is it a percentage table?

9 **Anita Duty:** It is.

10 **Mark Swartz:** And, it involves Tract 1E, 3, 5G, 5H, 5I, 5J, and Tract 8. Correct?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** And, for each person or company that you're proposing should receive a
13 disbursement, you've given their name?

14 **Anita Duty:** Yes.

15 **Mark Swartz:** And an address?

16 **Anita Duty:** Yes.

17 **Mark Swartz:** And, in the second column from the right-hand side of Table 1, you've given a
18 percentage for each person or company?

19 **Anita Duty:** We have.

20 **Mark Swartz:** And the Escrow Agent should be directed to use that percentage, multiply it
21 times the balance on hand at the time the disbursements are made and that will generate the
22 correct check amount?

23 **Anita Duty:** Yes.

24 **Mark Swartz:** At the end, here, you've identified the well?

25 **Anita Duty:** Yes.

26 **Mark Swartz:** You've provided the Board with a revised Exhibit E and a going-forward
27 payment Exhibit EE?

1 **Anita Duty:** Yes.

2 **Mark Swartz:** Exhibit J, starting at Page 64. I don't see any highlighting. Were you able to
3 find a deposit for every check?

4 **Anita Duty:** We were.

5 **Mark Swartz:** And, what's the difference between your calculation and the bank balance, as of
6 August 2016?

7 **Anita Duty:** The bank is showing \$6.78 less than our calculations.

8 **Mark Swartz:** And, we've got a copy of the.... Well, actually, there is a split agreement, here.

9 **Anita Duty:** Yes.

10 **Mark Swartz:** At least one. You've provided a copy of that?

11 **Anita Duty:** Yes.

12 **Mark Swartz:** And, you have my favorite part at Page 71. What's Page 71 all about?

13 **Anita Duty:** That wasn't supposed to be in there.

14 **Mark Swartz:** Okay. Then, we won't talk about it.

15 **Anita Duty:** It's just an opinion.

16 **Mark Swartz:** And, it's not your opinion. It's just somebody else's opinion. Right?

17 **Anita Duty:** No.

18 **Mark Swartz:** Well, that's not your handwriting.

19 **Anita Duty:** It's not my handwriting.

20 **Mark Swartz:** And, it's not your signature.

21 **Anita Duty:** No.

22 **Mark Swartz:** Okay. Then, we have a supplemental affidavit, at Page 72. That's something
23 you actually signed. Right?

24 **Anita Duty:** Yes.

25 **Mark Swartz:** And, that's with regard to notice to a collection of coal owners and you've listed
26 them?

27 **Anita Duty:** Yes.

1 **Mark Swartz:** And, at the next page, 72, it looks like all of the coal owners picked up their
2 mail.

3 **Anita Duty:** Yes.

4 **Mark Swartz:** So, are you seeking a dismissal, with regard to the coal owners listed in your
5 affidavit and at Page 73?

6 **Anita Duty:** Yes.

7 **Mark Swartz:** I believe that's it. That's all I have.

8 **Bradley Lambert:** Any questions from the Board? [No response] Do I have a motion?

9 **Mary Quillen:** Motion to approve.

10 **Bill Harris:** Second.

11 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
12 response] All in favor signify by saying yes.

13 **Board:** Yes.

14 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Swartz. That is approved.

15 **Mark Swartz:** Thank you.

16 **Bradley Lambert:** Thank you, folks.

17 **Mark Swartz:** Have a great day!

18 **Item Number 17**

19 **Bradley Lambert:** We're calling Docket Item Number 17. A petition from EnerVest
20 Operating, LLC, to disburse funds from the escrow account to all known owners in Tracts 5 and
21 6. Docket Number VGOB-08-0617-2258-01. All parties wishing to testify please come
22 forward.

23 **Tim Scott:** Tim Scott, Chuck Akers, for EnerVest Operating Company

24 **Bradley Lambert:** Good morning.

25 **Tim Scott:** Good morning.

26 **Chuck Akers:** We're requesting that the Docket Item be continued until May.

27 **Bradley Lambert:** Until May?

1 **Chuck Akers:** Yes, continued to May.

2 **Bradley Lambert:** 17 will be continued until May.

3 **Item Number 18**

4 **Bradley Lambert:** We're calling Docket Item Number 18. A petition from EnerVest Operating,
5 LLC, for pooling of Well No. VCI-530459. Docket Number VGOB-17-0321-4111. All parties
6 wishing to testify please come forward.

7 **Tim Scott:** Tim Scott, Gus Janson and Aaron Anderson for EnerVest Operating

8 **Sarah Gilmer:** Do you swear and affirm that your testimony is the truth, the whole truth, and
9 nothing but the truth?

10 **Gus Janson:** I do.

11 **Aaron Anderson:** I do.

12 **Bradley Lambert:** You may proceed, Mr. Scott.

13 **Tim Scott:** Mr. Anderson, please state your name, by whom you are employed and your job
14 description, please.

15 **Aaron Anderson:** Aaron Anderson. I'm employed by EnerVest Operating, LLC. I'm an
16 Associate Landman.

17 **Tim Scott:** And, you participated in the preparation of this application. Is that correct?

18 **Aaron Anderson:** Yes.

19 **Tim Scott:** Is this unit located within the Nora Coalbed Gas Field?

20 **Aaron Anderson:** Yes, it is.

21 **Tim Scott:** How many acres does it contain?

22 **Aaron Anderson:** 58.77

23 **Tim Scott:** Based on our Exhibit B we filed, EnerVest is fee-simple owner of many of the tracts
24 in this unit. Is that correct?

25 **Aaron Anderson:** That's correct.

26 **Tim Scott:** Are there any parties respondent that we're going to dismiss, today?

27 **Aaron Anderson:** No.

1 **Tim Scott:** How was notice of this hearing provided?

2 **Aaron Anderson:** Certified mail, with return receipt requested

3 **Tim Scott:** I believe that we had just unknowns on Exhibit B3. Is that correct?

4 **Aaron Anderson:** Yes.

5 **Tim Scott:** We published in the newspaper. Is that right?

6 **Aaron Anderson:** That is correct.

7 **Tim Scott:** When was that done and in what newspaper?

8 **Aaron Anderson:** March 22, in the Dickenson County Star

9 **Tim Scott:** Now, EnerVest is authorized to do business in the Commonwealth. Is that correct?

10 **Aaron Anderson:** That's correct.

11 **Tim Scott:** And, there's a blanket bond on file?

12 **Aaron Anderson:** Yes.

13 **Tim Scott:** If we are able to identify these individuals and reach an agreement with them, what
14 terms would you offer for a lease?

15 **Aaron Anderson:** \$25/acre for a 5-year paid-up lease, with a 1/8 royalty

16 **Tim Scott:** Do you think that's reasonable for a lease in this area?

17 **Aaron Anderson:** Yes.

18 **Tim Scott:** What percentage of the gas estate does EnerVest have under lease?

19 **Aaron Anderson:** 92.94%

20 **Tim Scott:** And, what percentage of the gas estate are you seeking to pool?

21 **Aaron Anderson:** 7.06

22 **Tim Scott:** Now, in this particular unit, we do have unknowns. Is that correct?

23 **Aaron Anderson:** That is correct.

24 **Tim Scott:** What tract does that involve?

25 **Aaron Anderson:** Tract 5.

1 **Tim Scott:** And, what's the percentage of the interest in the unit that would be escrowed?

2 **Aaron Anderson:** 7.06% of the unit.

3 **Tim Scott:** You do have an escrow requirement. Is that right?

4 **Aaron Anderson:** That is correct.

5 **Tim Scott:** Now, are you asking that EnerVest be named operator for this unit?

6 **Aaron Anderson:** Yes.

7 **Tim Scott:** And that all the parties listed on Exhibit B3 be pooled? Is that also correct?

8 **Aaron Anderson:** That is correct.

9 **Tim Scott:** Now, if the Board grants our application, today, and we send out election notices,
10 what would be the address to be used for any elections that would be made under any order that's
11 entered, by the Board?

12 **Aaron Anderson:** EnerVest Operating, LLC; 408 W. Main St.; Abingdon, VA 24210, Attn:
13 Chuck Akers.

14 **Tim Scott:** Would that be the address for all correspondence, with regard to this unit?

15 **Aaron Anderson:** Yes.

16 **Tim Scott:** I apologize. I was going about 80 mph, trying to get through traffic, there, so....
17 That's all I have for Mr. Anderson.

18 **Bradley Lambert:** Any questions from the Board?

19 **Paul Kugelman:** Just for the record, that was not an admission, under oath, was it?

20 **Tim Scott:** They would have just had to chase me here.

21 **Bradley Lambert:** We would have waited on you, Mr. Scott.

22 **Tim Scott:** I hate to be late. I've been married too late for 34 years.

23 **Bradley Lambert:** That's on the record, now, too.

24 **Tim Scott:** Believe me. We used to go to high school, together. I was late every single day I
25 picked her up from her house. Nothing has changed. Sorry. All right. Mr. Janson, would you
26 please state your name, by whom you are employed and your job description?

27 **Gus Janson:** My name is Gus Janson. I'm employed by EnerVest Operating, LLC, as the
28 Geology Advisor.

1 **Tim Scott:** Now, you approved and reviewed this application. Is that right?

2 **Gus Janson:** I did.

3 **Tim Scott:** Are you familiar with the total depth of this well?

4 **Gus Janson:** Yes. The proposed depth is 2,551 feet.

5 **Tim Scott:** What are the estimated reserves of this unit?

6 **Gus Janson:** The estimated reserves is 605 million cubic feet of gas.

7 **Tim Scott:** Now, again, you did sign the AFE. Is that correct?

8 **Gus Janson:** I did.

9 **Tim Scott:** So, you're familiar with the well cost?

10 **Gus Janson:** I am.

11 **Tim Scott:** What is the estimated dry hole cost?

12 **Gus Janson:** The estimated dry hole cost is \$157,500.

13 **Tim Scott:** And, the completed well cost?

14 **Gus Janson:** \$371,800.

15 **Tim Scott:** Now, as far as the pooling that we're going to do, today, would it be your opinion
16 that, if the application is granted, it would prevent waste, promote conservation and protect
17 correlative rights?

18 **Gus Janson:** Yes, it would.

19 **Tim Scott:** That's all I have for Mr. Janson.

20 **Bradley Lambert:** Any questions from the Board?

21 **Bill Harris:** Mr. Chairman, let me just ask about the AFE. The copy we have is really
22 smudged. I can see amounts, but you kind of have to guess.

23 **Tim Scott:** Mr. Harris, I probably have a better one, if you...

24 **Bill Harris:** I don't need to see anything, specific, but that's just a comment.

25 **Rick Cooper:** Mr. Harris, we'll try to assure that we get a better quality, in the future.

26 **Bill Harris:** Is that from the Excel file or scan of a scan, or something?

1 **Rick Cooper:** Maybe. I think we had requested a better quality, but we didn't get it. In the
2 future, we'll try a little harder.

3 **Sarah Gilmer:** I think that we talked to Aaron about it and he was going to try to figure out
4 what was going on. I don't remember.

5 **Aaron Anderson:** Did the one she turned in, this time, look any better?

6 **Sarah Gilmer:** No, but I mean, I don't know what the issue is.

7 **Aaron Anderson:** I'm not sure what the issue is, either, because I'm sending them to her as the
8 highest quality I can scan.

9 **Mary Quillen:** It must be the transfer through the scanner.

10 **Aaron Anderson:** If you all didn't want them signed, I could just submit you an Excel file.

11 **Mary Quillen:** Unfortunately...

12 **Bill Harris:** I was just curious.

13 **Sarah Gilmer:** Maybe, you all could bring a copy, start bringing some copies.

14 **Tim Scott:** We actually tried to enlarge it. Then, it looked like snowmen, where the 8's were.
15 You couldn't see it, at all, at that point.

16 **Bill Harris:** That's all I had, Mr. Chairman.

17 **Bradley Lambert:** Anything further, Mr. Scott?

18 **Tim Scott:** No, sir.

19 **Bradley Lambert:** Do I have a motion?

20 **Mary Quillen:** Motion to approve.

21 **Bill Harris:** Second.

22 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
23 response] All in favor signify by saying yes.

24 **Board:** Yes.

25 **Bradley Lambert:** Opposed no.

26 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

27 **Bradley Lambert:** One abstention. Mr. Ratliff.

Item Number 19

Bradley Lambert: We're calling Docket Item Number 19. A petition from EnerVest Operating, LLC, for pooling of Well No. VCI-530472. This is Docket Number VGOB-17-0321-4112. All parties wishing to testify please come forward.

Tim Scott: Tim Scott, Gus Janson and Aaron Anderson for EnerVest Operating

Bradley Lambert: You may proceed, Mr. Scott.

Tim Scott: Thank you, Mr. Chairman. Mr. Anderson, again, your name, by whom you are employed, and your job description.

Aaron Anderson: I'm Aaron Anderson, employed by EnerVest Operating, LLC, as an Associate Landman.

Tim Scott: You participated in the preparation of this application. Is that correct?

Aaron Anderson: I did.

Tim Scott: Where is this unit located? What field?

Aaron Anderson: It's the Nora Coalbed Gas Field

Tim Scott: How many acres does it contain?

Aaron Anderson: 58.77

Tim Scott: Like the last hearing we had, EnerVest is an owner of both...owner and operator. Is that right?

Aaron Anderson: That's correct.

Tim Scott: As far as the respondents listed on Exhibit B3, are we going to dismiss anybody, today?

Aaron Anderson: No

Tim Scott: And, we have unknowns on B3. Is that correct?

Aaron Anderson: That is correct.

Tim Scott: So, the notice of hearing was provided by publication. Is that right?

Aaron Anderson: That's correct.

Tim Scott: When was that done?

1 **Aaron Anderson:** On March 22, 2017, in the Dickenson Star.

2 **Tim Scott:** And, we provided proof of publication to the Board. Is that right?

3 **Aaron Anderson:** We did.

4 **Tim Scott:** Again, EnerVest is authorized to conduct business in the Commonwealth. Correct?

5 **Aaron Anderson:** That is correct.

6 **Tim Scott:** And, there's a bond on file with the department. Is that right?

7 **Aaron Anderson:** Yes.

8 **Tim Scott:** Now, if you could reach an agreement with those parties listed on Exhibit B3, what
9 terms would you offer?

10 **Aaron Anderson:** \$25/acre for a 5-year paid up lease, with a 1/8 royalty.

11 **Tim Scott:** Again, you would consider that to be reasonable compensation for a lease in this
12 area?

13 **Aaron Anderson:** Yes.

14 **Tim Scott:** What percentage of the gas estate does EnerVest have under lease?

15 **Aaron Anderson:** 94.2.

16 **Tim Scott:** Again, that includes tracts in which EnerVest has a fee simple interest. Is that
17 correct?

18 **Aaron Anderson:** Yes.

19 **Tim Scott:** What percentage of the gas estate are you seeking to pool, here?

20 **Aaron Anderson:** 5.8%.

21 **Tim Scott:** That would also be the same percentage for escrow. Is that correct?

22 **Aaron Anderson:** That's correct.

23 **Tim Scott:** What tract or tracts are involved with the escrow?

24 **Aaron Anderson:** Tract 4.

25 **Tim Scott:** And, the percentage, again?

26 **Aaron Anderson:** 5.8%.

1 **Tim Scott:** And, you're requesting the Board to pool the unleased parties on B3. Is that correct?

2 **Aaron Anderson:** That's correct.

3 **Tim Scott:** And EnerVest be named the operator?

4 **Aaron Anderson:** Yes.

5 **Tim Scott:** Again, if the Board grants our application, today, and we send out the orders for
6 election, what address should be used for making elections, under any order entered by the
7 Board?

8 **Aaron Anderson:** EnerVest Operating, LLC; 408 W. Main St.; Abingdon, VA 24210. Attn:
9 Chuck Akers, Land Manager.

10 **Tim Scott:** Should this be the address for all communication?

11 **Aaron Anderson:** Yes.

12 **Tim Scott:** That's all I have for Mr. Anderson.

13 **Bradley Lambert:** Any questions from the Board? [No response] You may continue, Mr.
14 Scott.

15 **Tim Scott:** Thank you. Mr. Janson, your name, by whom you are employed and your job
16 description.

17 **Gus Janson:** My name is Gus Janson, employed by EnerVest Operating, LLC, as the Geology
18 Advisor.

19 **Tim Scott:** And, you helped prepare this application. Is that right?

20 **Gus Janson:** I did.

21 **Tim Scott:** You also helped prepare the AFE. Is that correct?

22 **Gus Janson:** I did.

23 **Tim Scott:** Are you familiar with the proposed depth of this well?

24 **Gus Janson:** The proposed depth is 2,517 feet.

25 **Tim Scott:** And, the estimated reserves for this unit?

26 **Gus Janson:** Reserves are 610 million cubic feet of gas

27 **Tim Scott:** Again, with regard to the AFE, there are certain costs associated. Is that right?

1 **Gus Janson:** That's correct.

2 **Tim Scott:** What's the estimated dry hole cost?

3 **Gus Janson:** Estimated dry hole cost is \$159,400.

4 **Tim Scott:** And, the completed well cost?

5 **Gus Janson:** \$362,450.

6 **Tim Scott:** If the Board grants our application, today, in your opinion would it prevent waste,
7 promote conservation and protect correlative rights?

8 **Gus Janson:** Yes, it would.

9 **Tim Scott:** That's all I have for Mr. Janson.

10 **Bradley Lambert:** Any questions from the Board? [No response] Anything further, Mr. Scott?

11 **Tim Scott:** That's all I have, Mr. Chairman.

12 **Bradley Lambert:** Do I have a motion?

13 **Mary Quillen:** Motion to approve.

14 **Bill Harris:** Second.

15 **Bradley Lambert:** I have a motion and a second. Any further discussion? [No response] All in
16 favor signify by saying yes.

17 **Board:** Yes.

18 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Scott. That is approved.

19 **Tim Scott:** Thank you.

20 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

21 **Bradley Lambert:** One abstention. Mr. Ratliff.

22 **Item Number 20**

23 **Bradley Lambert:** We're calling Docket Item Number 20. A petition from EnerVest
24 Operating, LLC, for pooling of Well VCI-530433. Docket Number VGOB-17-0418-4113. All
25 parties wishing to testify please come forward.

26 **Tim Scott:** Tim Scott, Gus Janson, and Aaron Anderson for EnerVest Operating.

1 **Bradley Lambert:** You may proceed, Mr. Scott.

2 **Tim Scott:** Thank you, Mr. Chairman. Mr. Anderson, your name, by whom you are employed
3 and your job description, please.

4 **Aaron Anderson:** Aaron Anderson. I'm employed by EnerVest Operating, LLC, as an
5 Associate Landman.

6 **Tim Scott:** And, you participated in the preparation of this application. Is that correct?

7 **Aaron Anderson:** That's correct.

8 **Tim Scott:** Where is this unit located?

9 **Aaron Anderson:** In the Nora Coalbed Gas Field.

10 **Tim Scott:** How many acres does it contain?

11 **Aaron Anderson:** 58.77.

12 **Tim Scott:** In this particular unit, EnerVest is both an owner and an operator. Is that correct?

13 **Aaron Anderson:** That's correct.

14 **Tim Scott:** Are we going to dismiss any respondents, today?

15 **Aaron Anderson:** No, sir.

16 **Tim Scott:** How was this notice provided to respondents listed on B3?

17 **Aaron Anderson:** By certified mail, return receipt requested.

18 **Tim Scott:** And, we provided proof of mailing to the Board. Is that right?

19 **Aaron Anderson:** Yes.

20 **Tim Scott:** Do you have any unknown heirs?

21 **Aaron Anderson:** No.

22 **Tim Scott:** And, EnerVest is authorized to conduct business in the Commonwealth. Is that
23 right?

24 **Aaron Anderson:** That is correct.

25 **Tim Scott:** And, there's a bond on file?

26 **Aaron Anderson:** Yes.

1 **Tim Scott:** If you were able to reach an agreement with those parties listed on Exhibit B3, what
2 terms would you offer?

3 **Aaron Anderson:** \$25 per acre for a 5-year paid up lease, with a 1/8 royalty.

4 **Tim Scott:** And, does this represent a fair compensation for a lease, in this area?

5 **Aaron Anderson:** Yes.

6 **Tim Scott:** What percentage of the gas estate does EnerVest have under lease?

7 **Aaron Anderson:** 94.06%

8 **Tim Scott:** As I asked earlier, that includes acreage in which EnerVest has a fee simple
9 ownership interest. Is that right?

10 **Aaron Anderson:** Yes.

11 **Tim Scott:** What percentage of the gas estate are you seeking to pool?

12 **Aaron Anderson:** 5.94.

13 **Tim Scott:** And, we don't have an escrow requirement for this unit. Is that right?

14 **Aaron Anderson:** Yes, sir.

15 **Tim Scott:** Are you asking that the Board pool the parties listed on Exhibit B3?

16 **Aaron Anderson:** Yes.

17 **Tim Scott:** And, that EnerVest be named the operator for this unit?

18 **Aaron Anderson:** Yes.

19 **Tim Scott:** I'm not going to interrupt you, this time. I promise. Should the Board grant our
20 application, today, and we send out the Board order that had been entered and recorded, what
21 would be the address to be used for making any elections, under that order?

22 **Aaron Anderson:** EnerVest Operating, LLC; 408 W. Main St.; Abingdon, VA 24210. Attn:
23 Chuck Akers, Land Manager

24 **Tim Scott:** Should this be the address for all communications for this unit?

25 **Aaron Anderson:** Yes.

26 **Tim Scott:** Thank you, Mr. Anderson.

27 **Bradley Lambert:** Any questions from the Board?

1 **Bill Harris:** Let me just ask a quick question. I notice Heartwood Forest Land. I haven't been
2 here, in the last couple of meetings. What's the status of that, now? I know that there was some
3 court activity, I thought, around the first of the year. Where are we, on Heartwood, now?

4 **Bradley Lambert:** I'm not sure I know.

5 **Aaron Anderson:** Are you speaking of Yellow Poplar?

6 **Bill Harris:** I'm sorry. My mistake. Scratch that.

7 **Bradley Lambert:** Any other questions? [No response] You may continue, Mr. Scott.

8 **Tim Scott:** Thank you. Mr. Janson, your name, by whom you are employed and your job
9 description, please.

10 **Gus Janson:** My name is Gus Janson. I'm employed by EnerVest Operating, LLC, as the
11 Geology Advisor.

12 **Tim Scott:** Again, you're familiar with this application. Is that right?

13 **Gus Janson:** I am.

14 **Tim Scott:** And, you helped prepare it. Is that, also, correct?

15 **Gus Janson:** Correct.

16 **Tim Scott:** What's the proposed depth of this well?

17 **Gus Janson:** 2,450 feet.

18 **Tim Scott:** And, are you familiar with the estimated reserves?

19 **Gus Janson:** Yes. The estimated reserves is 645 million cubic feet of gas.

20 **Tim Scott:** And, are you also familiar with the proposed well cost?

21 **Gus Janson:** I am.

22 **Tim Scott:** What's the estimated dry hole cost?

23 **Gus Janson:** \$171,200

24 **Tim Scott:** And, the estimated completed well cost?

25 **Gus Janson:** \$412,531.

26 **Tim Scott:** If the Board grants our application, today, would it prevent waste, promote
27 conservation and protect correlative rights?

1 **Gus Janson:** Yes, it would.

2 **Tim Scott:** That's all I have for Mr. Janson.

3 **Bradley Lambert:** Any questions from the Board? [No response] Anything further, Mr. Scott?

4 **Tim Scott:** That's all I have on this one, Mr. Chairman.

5 **Bradley Lambert:** Do I have a motion?

6 **Mary Quillen:** Motion to approve.

7 **Bill Harris:** Second.

8 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
9 response] All in favor signify by saying yes.

10 **Board:** Yes.

11 **Bradley Lambert:** Opposed no.

12 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

13 **Bradley Lambert:** One abstention. Mr. Ratliff. Thank you, Mr. Scott. That one is approved.

14 **Item Number 21**

15 **Bradley Lambert:** We're calling Docket Item Number 21. A petition from EnerVest
16 Operating, LLC, for pooling of Well VCI-530453. Docket Number VGOB-17-0418-4114. All
17 parties wishing to testify please come forward.

18 **Tim Scott:** Tim Scott, Gus Janson, and Aaron Anderson for EnerVest Operating

19 **Bradley Lambert:** You may proceed, Mr. Scott.

20 **Tim Scott:** Thank you. Mr. Anderson, your name, by whom you are employed and your job
21 description, please.

22 **Aaron Anderson:** I'm Aaron Anderson, employed by EnerVest Operating, LLC, as an
23 Associate Landman.

24 **Tim Scott:** And, you're familiar with this application. Is that correct?

25 **Aaron Anderson:** That's correct.

26 **Tim Scott:** How many acres does this unit contain?

1 **Aaron Anderson:** 58.77 acres.

2 **Tim Scott:** And, what field is it located in?

3 **Aaron Anderson:** The Nora Coalbed Gas Field.

4 **Tim Scott:** And, EnerVest does have drilling right in this unit. Is that right?

5 **Aaron Anderson:** Yes, they do.

6 **Tim Scott:** And, that would be both as an operator and fee simple owner. Is that correct?

7 **Aaron Anderson:** Yes.

8 **Tim Scott:** Are we going to dismiss any parties respondent, listed on B3, today?

9 **Aaron Anderson:** No.

10 **Tim Scott:** And, we have just unknowns on Exhibit B3. Is that correct?

11 **Aaron Anderson:** That's correct.

12 **Tim Scott:** So, we published in the newspaper. Is that correct?

13 **Aaron Anderson:** That's correct.

14 **Tim Scott:** When was it published and in what paper?

15 **Aaron Anderson:** March 22, in the Dickenson Star.

16 **Tim Scott:** So, we do have unknowns. Is that also correct?

17 **Aaron Anderson:** That's correct.

18 **Tim Scott:** EnerVest is authorized to conduct business in the Commonwealth. Is that right?

19 **Aaron Anderson:** That's correct.

20 **Tim Scott:** And, there's a bond on file?

21 **Aaron Anderson:** Yes.

22 **Tim Scott:** If you were able to reach an agreement with any of the parties listed on Exhibit B3,
23 what terms would you offer?

24 **Aaron Anderson:** \$25 per acre for a 5-year paid up lease, with a 1/8 royalty

25 **Tim Scott:** And, you consider that to be reasonable compensation for a lease in this are?

1 **Aaron Anderson:** Yes.

2 **Tim Scott:** What percentage of the gas estate does EnerVest have under lease?

3 **Aaron Anderson:** 98.71%.

4 **Tim Scott:** What percentage are you seeking to pool?

5 **Aaron Anderson:** 1.29.

6 **Tim Scott:** And, we do have an escrow requirement for this unit. Is that right?

7 **Aaron Anderson:** That's correct.

8 **Tim Scott:** What tract or tracts are involved?

9 **Aaron Anderson:** Tract 2, for a total of 1.29%.

10 **Tim Scott:** That's of the unit. Is that right?

11 **Aaron Anderson:** Yes.

12 **Tim Scott:** And, you're requesting the Board to pool the unleased parties listed on B3?

13 **Aaron Anderson:** Yes.

14 **Tim Scott:** And, you are requesting EnerVest to be named the operator. Is that also correct?

15 **Aaron Anderson:** That's correct.

16 **Tim Scott:** If the Board grants our application, today, and we send out the order to the parties
17 listed on Exhibit B3, and find them, what would be the address to be used for making any
18 elections?

19 **Aaron Anderson:** EnerVest Operating, LLC; 408 W. Main St.; Abingdon, VA 24210. Attn:
20 Chuck Akers, Land Manager.

21 **Tim Scott:** And, that would be the address for all communications regarding this order?

22 **Aaron Anderson:** Yes.

23 **Tim Scott:** That's all I have for Mr. Anderson.

24 **Bradley Lambert:** Just as a follow-up, is the ad that you placed in the Dickenson Star, the only
25 research you've done to locate these unknowns?

26 **Aaron Anderson:** No.

27 **Bradley Lambert:** Could you tell us a little bit more about what all you're doing?

1 **Rick Cooper:** Are you looking for the Joseph Kaiser letter?

2 **Tim Scott:** Yes.

3 **Rick Cooper:** It's on Page 17 of the PDF.

4 **Tim Scott:** I'd like to address that, if I could, Mr. Chairman. Mr. Anderson, when title work
5 was ordered on these units, what do you typically do, as far as your request? By the description
6 of the property? Is that right?

7 **Aaron Anderson:** That's correct.

8 **Tim Scott:** And, so examination is conducted in the Clerk's Office in Dickenson County. Is that
9 also correct?

10 **Aaron Anderson:** Yes.

11 **Tim Scott:** So, the records that are reviewed include wills, deeds, affidavits, chancery actions.
12 Is that also correct?

13 **Aaron Anderson:** That is correct.

14 **Tim Scott:** One of the problems that I think that all operators face is woefully incomplete
15 affidavits of descents, or lists of heirs. Is that right?

16 **Aaron Anderson:** Yes.

17 **Tim Scott:** Oftentimes, there will be names on these affidavits, but the relationship to the party
18 who is deceased is not disclosed. Is that right?

19 **Aaron Anderson:** That's correct.

20 **Tim Scott:** Thus, making it pretty difficult to be able to determine the quantitative interest that
21 any of these individuals would have, in this particular tract. Is that also correct?

22 **Aaron Anderson:** That's correct.

23 **Tim Scott:** But, your efforts with regard to the locating of these heirs is ongoing. Is that also
24 correct?

25 **Aaron Anderson:** That's correct.

26 **Tim Scott:** And they're always updated and supplemented. Is that correct?

27 **Aaron Anderson:** That's correct.

28 **Tim Scott:** Okay. Do you also use newspapers and genealogy websites and so on?

1 **Aaron Anderson:** Yes.

2 **Bradley Lambert:** Okay. Thank you. Any other questions from the Board? [No response]

3 You may continue, Mr. Scott.

4 **Tim Scott:** Thank you. Mr. Janson, your name, by whom you are employed, and your job

5 description, please.

6 **Gus Janson:** My name is Gus Janson, employed by EnerVest Operating, LLC, as a Geology

7 Advisor.

8 **Tim Scott:** You participated in the preparation of this application. Is that right?

9 **Gus Janson:** I did.

10 **Tim Scott:** Are you familiar with the proposed well depth?

11 **Gus Janson:** Yes, the proposed depth is 2,584 feet.

12 **Tim Scott:** And, what are the estimated reserves of this unit?

13 **Gus Janson:** Estimated reserves are 775,000 cubic feet of gas.

14 **Tim Scott:** And, you did, as I said, help prepare the AFE that was attached to our application?

15 **Gus Janson:** That's correct.

16 **Tim Scott:** And, you're familiar with the proposed well cost?

17 **Gus Janson:** Yes.

18 **Tim Scott:** What's the estimated dry hole cost?

19 **Gus Janson:** The estimated dry hole cost is \$171,200.

20 **Tim Scott:** And, the complete well cost?

21 **Gus Janson:** \$382,229.

22 **Tim Scott:** If the Board grants our application, today, in your opinion, would it prevent waste,

23 promote conservation, and protect correlative rights?

24 **Gus Janson:** Yes, it would.

25 **Tim Scott:** That's all I have for Mr. Janson.

26 **Bradley Lambert:** Any questions from the Board?

27 **Mary Quillen:** Mr. Janson, would you repeat that dry hole cost, again?

1 **Gus Janson:** \$171,200.

2 **Mary Quillen:** That's different than what we have.

3 **Tim Scott:** Probably because I couldn't read it.

4 **Mary Quillen:** \$165,500 is what's on here.

5 **Gus Janson:** Yes, that's correct.

6 **Tim Scott:** What's listed on Exhibit C, Mr. Janson, for the dry hole cost?

7 **Gus Janson:** \$165,500.

8 **Tim Scott:** And, that is correct? Is that right?

9 **Gus Janson:** That is correct.

10 **Mary Quillen:** Thank you.

11 **Bradley Lambert:** Any other questions? [No response] Anything further, Mr. Scott?

12 **Tim Scott:** That's all I have on this one, Mr. Chairman.

13 **Bradley Lambert:** Do I have a motion?

14 **Mary Quillen:** Motion to approve.

15 **Bill Harris:** Second.

16 **Bradley Lambert:** I have a motion and a second. Any further discussion? [No response] All in

17 favor signify by saying yes.

18 **Board:** Yes.

19 **Bradley Lambert:** Opposed no.

20 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

21 **Bradley Lambert:** One abstention. Mr. Ratliff. Thank you, Mr. Scott. That is approved.

22 **Item Number 22**

23 **Bradley Lambert:** We're calling Docket Item Number 22. A petition from EnerVest

24 Operating, LLC, for pooling of Well VCI-531625. Docket Number VGOB-17-0418-4115. All

25 parties wishing to testify please come forward.

26 **Tim Scott:** Again, Tim Scott, Gus Janson, and Aaron Anderson for EnerVest Operating.

1 **Bradley Lambert:** You may proceed, Mr. Scott.

2 **Tim Scott:** Thank you, Mr. Chairman. Mr. Anderson, again, your name, by whom you are
3 employed, and your job description, please.

4 **Aaron Anderson:** Aaron Anderson. I'm employed by EnerVest Operating, LLC, as an
5 Associate Landman.

6 **Tim Scott:** Are you familiar with this application?

7 **Aaron Anderson:** Yes.

8 **Tim Scott:** And, you helped prepare it. Is that correct?

9 **Aaron Anderson:** Yes.

10 **Tim Scott:** Where is this unit located?

11 **Aaron Anderson:** In the Nora Coalbed Methane Gas Field.

12 **Tim Scott:** And, how many acres does it contain?

13 **Aaron Anderson:** 58.77

14 **Tim Scott:** EnerVest, of course, has drilling rights, by virtue of its ownership. Is that correct?

15 **Aaron Anderson:** That is correct.

16 **Tim Scott:** Are there any parties respondent we're going to dismiss, today?

17 **Aaron Anderson:** Yes.

18 **Tim Scott:** Who would that be, please?

19 **Aaron Anderson:** Jeffrey Robert Weaver.

20 **Tim Scott:** How was the notice of this hearing provided to the parties listed on Exhibit B3?

21 **Aaron Anderson:** By certified mail, with a return receipt requested.

22 **Tim Scott:** And, we provided proof of our mailing to the Board. Is that right?

23 **Aaron Anderson:** That's correct.

24 **Tim Scott:** Do we have any unknowns, in this unit?

25 **Aaron Anderson:** No.

26 **Tim Scott:** EnerVest is authorized to conduct business in the Commonwealth. Is that right?

1 **Aaron Anderson:** That's correct.

2 **Tim Scott:** And, EnerVest has a bond on file with the Department?

3 **Aaron Anderson:** Yes.

4 **Tim Scott:** And, if you were able to reach an agreement with the parties listed on Exhibit B3,
5 what terms would you offer?

6 **Aaron Anderson:** \$25/acre for a 5-year paid up lease, with a 1/8 royalty.

7 **Tim Scott:** Do you consider that to be a reasonable compensation for a lease in this area?

8 **Aaron Anderson:** Yes.

9 **Tim Scott:** What percentage of the gas estate does EnerVest have under lease?

10 **Aaron Anderson:** 98.64096875.

11 **Tim Scott:** And, that percentage does include tracts in which EnerVest has a fee simple
12 ownership. Is that right?

13 **Aaron Anderson:** That's correct.

14 **Tim Scott:** What percentage of the gas estate are you seeking to pool?

15 **Aaron Anderson:** 1.35903125%.

16 **Tim Scott:** And, with regard to this unit, there is no escrow. Is that right?

17 **Aaron Anderson:** That's correct.

18 **Tim Scott:** And, you're requesting the Board to pool the unleased parties listed on Exhibit B3?

19 **Aaron Anderson:** Yes.

20 **Tim Scott:** You're also requesting that EnerVest be named operator for this unit?

21 **Aaron Anderson:** That's correct.

22 **Tim Scott:** Again, if the Board grants our application, today, and we send out our orders for
23 elections, what address would be used for any correspondence regarding making an election?

24 **Aaron Anderson:** EnerVest Operating, LLC; 408 W. Main St.; Abingdon, VA 24210. Attn:
25 Chuck Akers, Land Manager

26 **Tim Scott:** Thank you. And, this address would be used for all communications, with regard to
27 this application and any order that's entered?

1 **Aaron Anderson:** That's correct.

2 **Tim Scott:** That's all I have for Mr. Anderson.

3 **Bradley Lambert:** Any questions from the Board? [No response] You may continue, Mr.

4 Scott.

5 **Tim Scott:** Thank you, Mr. Chairman. Mr. Janson, your name, by whom you are employed,

6 and your job description, please.

7 **Gus Janson:** My name is Gus Janson, employed by EnerVest Operating, LLC, as the Geology

8 Advisor.

9 **Tim Scott:** And, you participated in the preparation of this application. Is that correct?

10 **Gus Janson:** I did.

11 **Tim Scott:** And, are you familiar with the total depth of the proposed well?

12 **Gus Janson:** Yes. The proposed depth is 2,500 feet.

13 **Tim Scott:** What are the estimated reserves of this unit?

14 **Gus Janson:** The estimated reserves are 675,000 cubic feet of gas.

15 **Tim Scott:** And, you signed the AFE that was submitted. Is that right?

16 **Gus Janson:** I did.

17 **Tim Scott:** And, what is the estimated dry hole cost?

18 **Gus Janson:** The estimated dry hole cost is \$149,700.

19 **Tim Scott:** And, the estimated completed well cost?

20 **Gus Janson:** Is \$317,400.

21 **Tim Scott:** Now, if the Board grants our application, today, would it be your opinion that it

22 would prevent waste, promote conservation, and protect correlative rights?

23 **Gus Janson:** Yes, it would.

24 **Tim Scott:** That's all I have for Mr. Janson.

25 **Bradley Lambert:** Any questions from the Board? [No response] Do I have a motion?

26 **Mary Quillen:** Motion to approve.

27 **Bill Harris:** Second.

1 **Bradley Lambert:** I have a motion and I have a second. Any further discussion? [No
2 response] All in favor signify by saying yes.

3 **Board:** Yes.

4 **Bradley Lambert:** Opposed no.

5 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

6 **Bradley Lambert:** One abstention. Mr. Ratliff. Thank you, Mr. Scott. That one is approved.

7 **Item Number 23**

8 **Bradley Lambert:** We're calling Docket Item Number 23. A petition from EnerVest
9 Operating, LLC, for pooling of Well VCI-530476. Docket Number VGOB-17-0418-4116. All
10 parties wishing to testify please come forward.

11 **Tim Scott:** Tim Scott, Gus Janson, and Aaron Anderson for EnerVest Operating.

12 **Bradley Lambert:** You may proceed, Mr. Scott.

13 **Tim Scott:** Mr. Anderson, one more time, your name, by whom you are employed, and your job
14 description, please.

15 **Aaron Anderson:** Aaron Anderson. I'm employed by EnerVest Operating, LLC, as an
16 Associate Land Manager.

17 **Tim Scott:** And, you're familiar with this application?

18 **Aaron Anderson:** Yes.

19 **Tim Scott:** Did you also assist in preparing this application?

20 **Aaron Anderson:** I did.

21 **Tim Scott:** Where is this unit located, please?

22 **Aaron Anderson:** In the Nora Coalbed Gas Field.

23 **Tim Scott:** And, how many acres does this unit contain?

24 **Aaron Anderson:** 58.77.

25 **Tim Scott:** Are we going to dismiss any parties respondent, listed on Exhibit B3, today?

26 **Aaron Anderson:** No.

1 **Tim Scott:** And, EnerVest does have drilling rights in this unit. Is that right?

2 **Aaron Anderson:** That's correct.

3 **Tim Scott:** How was notice of this hearing provided to the parties listed on B3?

4 **Aaron Anderson:** The Dickenson Star, on March 22, 2017.

5 **Tim Scott:** So, we do have unknowns on this one. Is that right?

6 **Aaron Anderson:** That's correct.

7 **Tim Scott:** Now, EnerVest is authorized to conduct business in the Commonwealth. Is that
8 right?

9 **Aaron Anderson:** That's correct.

10 **Tim Scott:** And, we have a blanket bond on file?

11 **Aaron Anderson:** Yes.

12 **Tim Scott:** What would be the lease terms you would offer, if you were able to reach an
13 agreement with these parties?

14 **Aaron Anderson:** \$25/acre for a 5-year paid up lease, with a 1/8 royalty.

15 **Tim Scott:** Do you consider that to be reasonable compensation for a lease in this area?

16 **Aaron Anderson:** Yes.

17 **Tim Scott:** What percentage of the gas estate does EnerVest have under lease?

18 **Aaron Anderson:** 59.63%.

19 **Tim Scott:** And, that percentage does include tracts in which EnerVest has a fee simple interest.
20 Is that right?

21 **Aaron Anderson:** That's correct.

22 **Tim Scott:** What percentage of the gas estate are you seeking to pool?

23 **Aaron Anderson:** 40.37.

24 **Tim Scott:** With regard to this unit, there is an escrow requirement. Is that right?

25 **Aaron Anderson:** That is correct.

26 **Tim Scott:** What tract or tracts are subject to escrow?

1 **Aaron Anderson:** Tracts 3 and 4, for a total of 4.37% of the unit.

2 **Tim Scott:** Is that 40.37?

3 **Aaron Anderson:** Yes. I'm sorry.

4 **Tim Scott:** Are you requesting the Board to pool the unleased parties listed on Exhibit B3?

5 **Aaron Anderson:** Yes.

6 **Tim Scott:** And that EnerVest be named the operator for this unit. Is that also correct?

7 **Aaron Anderson:** That's correct.

8 **Tim Scott:** Now, if we're able to send out the order that's been approved by the Board and
9 entered, what would be the address used for any communications, regarding elections, for this
10 particular unit?

11 **Aaron Anderson:** EnerVest Operating, LLC; 408 W. Main St.; Abingdon, VA 24210. Attn:
12 Chuck Akers.

13 **Tim Scott:** And, should this be the address for all communications?

14 **Aaron Anderson:** Yes.

15 **Tim Scott:** That's all I have for Mr. Anderson.

16 **Bradley Lambert:** Any questions from the Board? [No response] You may continue, Mr.
17 Scott.

18 **Tim Scott:** Thank you, Mr. Chairman. Mr. Janson, your name, by whom you are employed,
19 and your job description, please.

20 **Gus Janson:** My name is Gus Janson, employed by EnerVest Operating, LLC, as the Geology
21 Advisor.

22 **Tim Scott:** And, you participated in the preparation of this application. Is that right?

23 **Gus Janson:** I did.

24 **Tim Scott:** So, you're familiar with the AFE that was submitted?

25 **Gus Janson:** I am.

26 **Tim Scott:** What's the proposed well depth, or total depth of this proposed well?

27 **Gus Janson:** The depth proposed is 2,647 feet.

1 **Tim Scott:** And, what are the estimated reserves of this unit?

2 **Gus Janson:** The estimated reserves are 815 million cubic feet of gas.

3 **Tim Scott:** And, again, you reviewed the AFE. Is that right?

4 **Gus Janson:** I have.

5 **Tim Scott:** So, you're familiar with the well costs?

6 **Gus Janson:** I am.

7 **Tim Scott:** What's the estimated dry hole cost?

8 **Gus Janson:** The estimated dry hole cost is \$161,700.

9 **Tim Scott:** And, the estimated completed well cost?

10 **Gus Janson:** \$384,038.

11 **Tim Scott:** In your opinion, if the Board grants our application, today, would it prevent waste,
12 promote conservation, and protect correlative rights?

13 **Gus Janson:** Yes, it would.

14 **Tim Scott:** Thank you. That's all I have for Mr. Janson.

15 **Bradley Lambert:** Any questions from the Board? [No response] Anything further, Mr. Scott?

16 **Tim Scott:** That's all I have, Mr. Chairman.

17 **Bradley Lambert:** Do I have a motion?

18 **Mary Quillen:** Motion to approve.

19 **Bill Harris:** Second.

20 **Bradley Lambert:** I have a motion and a second. Any further discussion? [No response] All in
21 favor signify by saying yes.

22 **Board:** Yes.

23 **Bradley Lambert:** Opposed no. [No response] Thank you, Mr. Scott. That is approved.

24 **Donnie Ratliff:** I'll abstain, Mr. Chairman.

25 **Bradley Lambert:** One abstention. Mr. Ratliff.

Item Number 24

Bradley Lambert: The next item on the agenda is the Board will receive an update of the Board and Division activities from the Staff. Mr. Cooper.

Bill Harris: Mr. Chairman, before we do that, we had talked earlier, when the bank was giving their report about the number of EnerVest W-9's that were missing. Did we want to address that, or ask? I'm not sure if these are the appropriate people to ask. When we had the bank report, there were several...we're talking in the hundreds...people that did not have a W-9, so there were checks that had not been issued. Is anything being done for that?

Tim Scott: Mr. Harris, what's happened, recently, is I have actually had calls from folks in Kingsport, who want to know what's up, when they get a W-9. So, I tell them, "You're going to get money," and they will sign it and send it back. So, I think there is some reluctance to sign those. I don't know if it's because of the Internal Revenue Service, or what the issue is, but they are being sent out, regularly, to each of the parties who are entitled to receive those sums. You can lead a horse to water, but it's...difficult.

Bill Harris: Just a number of folks. We had several hundred and I'd say 80 or 90 percent of them were EnerVest people. So, I didn't know.

Tim Scott: Maybe, Mr. Akers and Mr. Reeves would like to...

Chuck Akers: Just, exactly what Tim had said. It's an ongoing process that we continue to send them out and request them from people and call, but we can request it, but to get people to sign them, sometimes, is difficult.

Mary Quillen: One of the questions that I had about this is the fact that the properties that you acquired from Range Resources, if those people had a signed W-9 with Range that would have followed with them to EnerVest. Correct?

Chuck Akers: That's correct. Any of the ownership information that Range would have had, W-9's or such, would have transferred to EnerVest and we have integrated those.

Mary Quillen: We just had not gotten any of that information and that's the reason that we thought it was a little strange that there were so many.

Bill Harris: 628.

Gus Janson: To help clarify this, if you remember, I believe, that CNX, who is the other major person in this escrow, I don't believe they're bringing people who have not signed a W-9 to you, for disbursement, where Range and EnerVest has elected to do that. So, we've got them in place. If we ever do get the W-9, we can disburse without having to come back to the Board. Is that correct?

1 **Rick Cooper:** That is correct, Mr. Janson.

2 **Gus Janson:** That's why you have so few CNX's because they're just not bringing those to you.

3 **Bill Harris:** Well, these are from the bank. It was a list of 600 and some folks.

4 **Gus Janson:** So, those disbursements have all been approved.

5 **Mary Quillen:** I don't think it was that many individuals because there were a lot of duplicate
6 things.

7 **Gus Janson:** There's probably several thousand that CNX has not brought you, too, at this
8 point.

9 **Rick Cooper:** CNX has made a commitment that, if they don't have a signed W-9, they will not
10 bring a petition in front of the Board.

11 **Tim Scott:** I think that's not in compliance with the statute. I mean, if the ownership has been
12 determined, then the operator, I think, is obligated to come before the Board and ask that those
13 monies be disbursed. The addresses that we have are accurate. It's just the fact that somebody
14 won't pick it up.

15 **Mary Quillen:** Right.

16 **Tim Scott:** Or, they won't do anything with it.

17 **Bill Harris:** Now, are these certified letters that are sent to them?

18 **Gus Janson:** And, they just will not return them.

19 **Tim Scott:** One of the gentlemen who came to see me, it was several thousand dollars, and I
20 said, "I'll take it." He was afraid that he was obligating himself, by signing a W-9 form and I
21 said, "No, this is just to make sure that the proper party is receiving the money. You are the
22 person who is the royalty interest owner and you will receive these checks, routinely, following
23 this initial check." But, it's difficult to get them to understand that.

24 **Mary Quillen:** We have heard this on a pretty regular basis, as far as signing W-9's, over the
25 years. So, it's not anything that's new. You just wonder in this day and age.

26 **Gus Janson:** The operator is allowed to, on a going-forward basis, we can withhold their taxes
27 and pay those directly to the IRS, but a bank will not allow that. So, they could be paid, going
28 forward. It's just the money in escrow that won't be released. That's the bank's position about
29 releasing that money, without the W-9.

30 **Paul Kugelman:** That's some of the regulations they have to follow.

1 **Bill Harris:** Well, I was just curious.

2 **Tim Scott:** It's ongoing. We continue to try to get them to take their money.

3 **Mary Quillen:** But, you just can't force people to do that. You can't force them to change their
4 point of view. That money will be sitting there.

5 **Bradley Lambert:** Thank you, folks.

6 **Tim Scott:** Thank you.

7 **Bradley Lambert:** Mr. Cooper.

8 **Rick Cooper:** Yes, I wanted to report. Most everything we had to report, we discussed when
9 First Bank and Trust was here, but I did want to point out the good work that the staff, the Board,
10 and the operators have been doing. This is something that I have put together, here, that you can
11 look at, but since July 1, 2015, there's been about \$11,533,371 disbursed. For the Table that I've
12 given you, it's broken down on quarters, monthly and quarter. It's really hard to distinguish that
13 because sometimes you can write 300 checks and it only totals \$25, so that really doesn't show
14 work. I don't know the exact number, as we sit here, but there's been more than 12,000 checks
15 written, during this time period. A lot of people think we're not making great progress, but we
16 are. As we move forward, I think you'll see these numbers just continue to increase, throughout
17 this year. This fiscal year we're working on, now.... The bank reports calendar year. We report
18 fiscal year. We've had \$4,555,115, which is pretty good.

19 **Bradley Lambert:** Anything further?

20 **Rick Cooper:** No, sir.

21 **Bradley Lambert:** Any questions from the Board for Mr. Cooper?

22 **Mary Quillen:** Good job!

23 **Bradley Lambert:** We appreciate you.

24 **Mary Quillen:** Good job, ladies!

25 **Rick Cooper:** Thank the staff. They're the ones. They're the brains behind this outfit.

26 **Mary Quillen:** Absolutely.

27 **Bradley Lambert:** We knew that.

28 **Rick Cooper:** Thank you for affirming that.

29 **Mary Quillen:** We just never imagined, a very short time ago, that we would see this quickly.
30 It seemed like a daunting task.

1 **Rick Cooper:** Right. So, we talk to Ms. Maney sometimes and she'll write 200-300 checks and
2 they don't amount to anything. It's great for her. She even asked me, this morning, the Yellow
3 Poplar, she would love to write some big checks on very few items because most of these she
4 writes.... Well, you see it. 100 checks may be \$500.

5 **Mary Quillen:** Right.

6 **Paul Kugelman:** Hopefully, we'll see that Yellow Poplar in June or July.

7 **Rick Cooper:** That's what I thought.

8 **Bradley Lambert:** Thank you, Mr. Cooper.

9 **Item Number 25**

10 **Bradley Lambert:** We need approval of the March 2017 minutes.

11 **Mary Quillen:** Motion to approve.

12 **Bill Harris:** Second.

13 **Bradley Lambert:** All in favor signify by saying yes.

14 **Board:** Yes.

15 **Bradley Lambert:** Thank you, folks. We're dismissed.